

Bundesbank rejects US plea on interest rates

BY DAVID BROWN IN FRANKFURT

THE BUNDESBANK yesterday rejected the latest US plea that West Germany lower its interest rates to help support world growth and reaffirmed its tough stand against a relaxation of its monetary policy.

Austrian Vice Chancellor calls off protest trip

BY PETER BRUCE IN BONN

THE AUSTRIAN Vice Chancellor, Mr Norbert Steger, last night cancelled plans to attend an anti-nuclear demonstration in Bavaria today following a blazing row over the visit between Mr Hans Dietrich Genscher, the West German Foreign Minister, and the powerful Bavarian premier, Mr Franz Josef Strauss.

Hopes for Franco-German helicopter project rise

BY PAUL BETTS IN PARIS

PROSPECTS OF the troubled Franco-German helicopter project were boosted yesterday after a meeting in Paris between Mr André Giraud, French Defence Minister, and Mr Manfred Wörner, his West German counterpart.

David Gardner reports on the aftermath of an election that could affect a country's stability

Mexican leaders play down the challenge of Chihuahua

MEXICO'S ruling Institutional Revolutionary Party (PRI) is enjoying quiet confidence that it is winning the political confrontation provoked by the results of the recent elections in the northern state of Chihuahua.

The opposition National Action Party (PAN), the Catholic Church, a broad swathe of small to medium sized (but not big) business, and the independent left, have now resorted to civil disobedience in the state to try to have the result annulled.

So far they have brought traffic to a standstill in the major towns; blockaded the main state highways and border crossings; and partially shut down businesses. The church's attempt to cancel all religious services last Sunday was only rescinded on orders from the Pope. Pro-PRI businesses and media are also being boycotted.

Compromise reached in Italian crisis

By Alan Friedman in Rome

MR BETTINO CRAXI, who resigned as Italy's Prime Minister last month, last night informed President Francesco Cossiga, that a compromise has been reached which will end Italy's month-long Government crisis.

The compromise between Mr Craxi's Socialist Party and the Christian Democrats will allow Mr Craxi to resume office as Prime Minister until next spring when he will step down in favour of a Christian Democrat Premier.

Mr Craxi resigned on June 27 after a parliamentary defeat. His five-party coalition Government, which will now be re-constructed, had lasted nearly three years, making it the longest surviving Italian Government since World War II.

The party leaders will discuss the possibility of a minor Cabinet reshuffle as well as the programme of the new Government.

Assuming that Tuesday's "summit" among party leaders goes well, the Government would then be presented to parliament, which is expected to vote its final approval between August 6 and August 9.

Under the compromise, Mr Craxi would resume office until his Socialist Party Congress which is expected to take place next March.

He could then be succeeded by Mr Giulio Andreotti, the veteran Christian Democrat whose own efforts to form a Government collapsed last Monday in the face of Socialist opposition to the idea of a Christian Democrat Prime Minister.

Moroccan embassy hit Demonstrators yesterday smashed their way into the Moroccan embassy in west Beirut and ransacked it in protest against talks in Morocco between King Hassan and Israeli Prime Minister Shimon Peres, Reuter reports from Beirut.

Mexico joins Gatt Mexico yesterday signed the General Agreement on Tariffs and Trade, becoming the 92nd member of the world free trade group, Reuter reports from Geneva.

Marcos cash claim The Philippines Government released documents yesterday showing that former President Ferdinand Marcos and his wife, Imelda, held deposits of at least \$229m (£154m) in Swiss and other bank accounts, reports AP from Manila.

Brazil resists IMF Brazil is still opposed to substantial involvement by the International Monetary Fund in policing the country's economy, central bank president Fernando Bracher said after signing an interim \$31bn (£20.9bn) financing package with a group of international banks, Reuter reports.

Paul Betts reports from Paris on the scaling down of a socialist project

Bastille opera plan falls foul of Chirac

THE BASTILLE, scene of the start of the French Revolution, has again become the stage of a new political battle. This time it does not involve the storming of the famous prison fortress but the construction of a lavish modern music and opera centre incorporating all the latest theatre and construction technologies at the Place de la Bastille in Paris.

The new opera house was part of a programme of ambitious new public works in Paris launched by the previous Socialist Government. But much to the dismay of President Francois Mitterrand, the new opera is likely to turn into an unfinished symphony.

The right-wing Government of Mr Jacques Chirac, the neo-Gaullist Prime Minister who is also mayor of Paris, has decided that the Bastille will not be the site of a new Paris opera.

Instead, the Government plans to scale down the Socialist project by building at the Bastille a music auditorium with 2,700 seats.

The original plan was to construct a new opera house with a high-tech concert hall next door. This concert hall would have included all the latest technologies to make it adaptable to many different artistic performances.

The overall complex, which would have cost the Government FFf 2.2bn (£183m) to complete, would also have included workshops to construct stage sets and rehearsal rooms.

The new Bastille opera complex was designed to become the main focus of musical activity in Paris rather like the Lincoln Centre in New York or the South Bank complex in London.

Paris's existing opera house—the monumental Palais Garnier—would have eventually seen its role relegated to the staging of ballet and concerts.

The right was unable to cancel the entire controversial project because already more than FFf 700m had been spent when it returned to power after the March 18 parliamentary elections.

But the future of the new opera complex has also divided ministers and voters on one



Mr Chirac: bid to end debate

right. Mr Jacques Chirac finally tried to put an end to the debate this week by stating that the Bastille would not house a new opera but only an auditorium for concerts and ballets.

Although the new auditorium would probably be able to stage one or two small opera a year,

Spanish terrorists to take refuge in France, Mr Chirac acknowledged that there was a risk of retaliation by extremists but that his government would make no compromises in its efforts to combat terrorism.

The Spanish Government has welcomed the French Government's firm approach against Basque extremists and its collaboration pledges following the Eta grenade attack on the Defence Ministry in Madrid last Monday and the car bomb explosion in the Spanish capital the week before which killed 10 policemen.

French court house attacked

BY PAUL BETTS

THE French Basque separatist movement yesterday claimed responsibility for the attack on the court house of Bayonne, in south-west France near the Spanish border, in which a French riot policeman was injured.

Extremists threw a grenade at the back of the Bayonne court house and machine-gunned a riot police van early yesterday, injuring a policeman in the arm and eye. Another grenade was later found in a car park near the court house and close to a local branch of the Crédit Lyonnais bank.

Security forces were yesterday trying to verify the authenticity of the claims by the French Basque separatist movement. But the attack on the Bayonne court house appears linked to the recent expulsion by the French Government of a number of Spanish Basque refugees suspected of playing a major role in the Spanish Basque Eta separatist organisation.

Mr Jacques Chirac, the French Prime Minister, pledged this week that the French Government would collaborate with Madrid by not allowing

S. Africa agrees to more non-racial private schools

BY BERNARD SIMON IN JOHANNESBURG

THE SOUTH AFRICAN Government has breached a key tenet of its racially segregated education policy by agreeing to the establishment of more non-racial private schools.

After working behind-the-scenes for the past five years to set up the schools, the New Era Schools Trust (NEST), a private group, announced yesterday that the first school will open near Durban next January, followed by others in 1988 in the Eastern Cape, between Johannesburg and Pretoria, and in the Cape Town area.

The first two schools will be financed entirely by two South African mining houses, Anglo-American and Johannesburg Consolidated Investments. AEST is seeking financial support from other companies, both local and foreign.

NEST's director, Mr Deane Yates, who founded a multi-racial school in Botswana in the 1970s, said the schools will be

China told of Hong Kong's concern over nuclear plant

BRITAIN has passed on to the Chinese leaders the concerns of Hong Kong residents over the safety of a nuclear power plant to be built at Daya Bay near the British territory of the New Territories, Reuter reports from Beijing.

The ambassadors of Britain and France, which will be involved in the construction of the plant, met Chinese Vice-Premier Li Peng early last week to discuss the rise in anti-nuclear feeling in Hong Kong.

Bush begins 12-day Mideast trip

By Nancy Dunne in Washington

MR GEORGE BUSH, the US Vice President, was scheduled to leave last night for a 12-day trip to Israel, Jordan and Egypt, in a low-key attempt to reassert US leadership in the area and to re-establish his own credentials as statesman.

Administration spokesmen are portraying this trip as a "symbolic gesture" signalling American interest in the peace process. Still, he will carry out new initiatives, and, according to a State Department official, he will not, as has been speculated, make a side foray to Syria.

The Reagan Administration last year backed away from high-profile peace efforts in the Middle East, after a series of frustrating setbacks. Mr Bush will be the first senior US official to visit Israel and its two Arab neighbours since May 1985.

Mr Bush may announce a new package of economic aid for Egypt.

White House boosts 1987 growth forecast

THE US Government, in a preliminary review of the nation's economy at mid-year, has trimmed its 1987 growth estimate—but substantially boosted projections for 1988.

The forecast for growth this year, as measured by the Gross National Product, was trimmed to 2.6 per cent, down from the February estimate of 3.4 per cent. For 1988, the Administration is projecting an annual rate of 4.5 per cent.

Cote d'Azur fire could be arson, say police

BY OUR PARIS STAFF

MORE THAN 2,000 firemen and soldiers, backed by fire-fighting aircraft, were yesterday still attempting to extinguish a huge forest fire which has caused major damage to one of the most famous and scenic parts of the Cote d'Azur between Nice and the principality of Monaco.

One person died, more than 1,500 had to be evacuated during the night and some 5,000 hectares of pine forest were destroyed by the blaze.

The fire, which destroyed several villas and threatened

many small towns including the village of Eze, spread rapidly on Thursday night because of the strong Mistral wind.

Although the Mistral died down yesterday, fire fighters were still trying to put out fires around the village of Eze where hotels and holiday villas were evacuated. The authorities suggested yesterday that the origins of the fire could be criminal.

So far this year, about 10,000 hectares of forest have been destroyed by fire in France.

Argentina to reform economy 'this year'

BY TIM COONE IN BUENOS AIRES

IMPORTANT structural changes are to be made in the Argentinian economy before the end of the year, according to Mr Jose Luis Machinea, the country's Deputy Economy Minister.

Speaking at an international gathering of economists in northern Argentina this week, he said: "We must launch some kind of structural reform before the end of the year. Otherwise we shall have problems, not immediately but in the medium term."

The envisaged changes include a speeding up of the privatisation of state sector companies, capitalisation of the foreign debt to promote foreign investment, modifications to the systems of customs tariffs to open up the economy to greater trade and competition, expansion of incentives for exports and investments, and a scaling down of public sector employment.

In the latter case a voluntary redundancy scheme is under study. Public sector employees, although badly paid, are guaranteed security of employment in Argentina.

The proposed measures are contained in existing government plans as a second phase of the so-called Austral Plan, which was introduced in June 1985.

The first phase of the plan, the successful halting of runaway inflation, is running into difficulties through trade union opposition, the re-emergence of a monthly inflation rate of over 5 per cent and a continuing lack of interest in investment by the private sector.

Disputes between the Central Bank and the Economy Ministry over monetary policy have failed to rein in monetary growth adequately, while divisions within the ruling Radical Party, have set back privatisation plans for well over six months.

Japan to act on yen rise

BY YOKO SHIBATA IN TOKYO

JAPAN plans to act as soon as possible to stem the appreciation of the yen, Mr Yoshihiko Yoshino, Vice-Finance Minister, said yesterday.

The Ministry of Finance is considering measures other than intervention in the foreign exchange markets at the behest of the new Finance Minister, Mr Kiichi Miyazawa.

of the effort to curb the yen's rise. This relaxation, which could occur as early as next month, may involve allowing the existing ceiling on foreign exchange positions to be set aside by banks wishing to convert yen into other currencies to buy foreign bonds and stocks.

News that the ministry was considering such a move boosted US Treasury bond prices in Tokyo yesterday.

Table with columns for bank names and interest rates under the heading 'BASE LENDING RATES'. Includes banks like ABN Bank, Allied Arab Bank Ltd, Allied Dunbar & Co, etc.

MOTOR INDUSTRY advertisement from The Financial Times, proposing to publish a survey on the motor industry above on Tuesday 14th October 1986.



Punjab terrorists kill 14 Hindus in bus attack

By K. K. SHARMA IN NEW DELHI

IN THEIR most provocative act since taking to violence in the north-western Indian state of Punjab four years ago, Sikh terrorists yesterday killed 14 Hindus and seriously injured eight others near Mukhtsar town in Faridkot district.

Wrong decisions on the make-up of a coalition could lead to a coup, writes Chris Sherwell Thai wheeler-dealers face critical test after election

FOR SEVERAL tense days next week, a handful of men—a revered King, a silver-haired bachelor known as "Pa" and some wheeler-dealer politicians and powerful army generals—will lock horns to determine the political future of Thailand.



Rivals for power—Thai Prime Minister Gen Prem Tinsulanonda (right) and Gen Arthit Kamlang-ek, supreme military commander

and key segments of the army. It says something about the complexities of Thailand that the leader of one of the four parties in Gen Prem's coalition, who was clearly implicated in last September's abortive coup and put on trial, is currently free to campaign for a seat in parliament.

whether Gen Prem will have to "accommodate" Gen Arthit or can safely sideline him. Most analysts feel Gen Arthit will be the main loser in this election, but the fear is that one or more of the new parties supporting him will do well enough to persuade others, like Chart Thai, to join them with Gen Arthit as premier.

Australia seeks support in wheat row with US

AUSTRALIA yesterday urged Canada and Argentina to join in fighting proposed subsidised wheat sales by the US. Reuters reports from Sydney.

Banks may act over Lisbon law

FOREIGN banks established in Portugal after relaxation of tight banking laws in 1984 are contemplating a formal complaint to the European Commission.

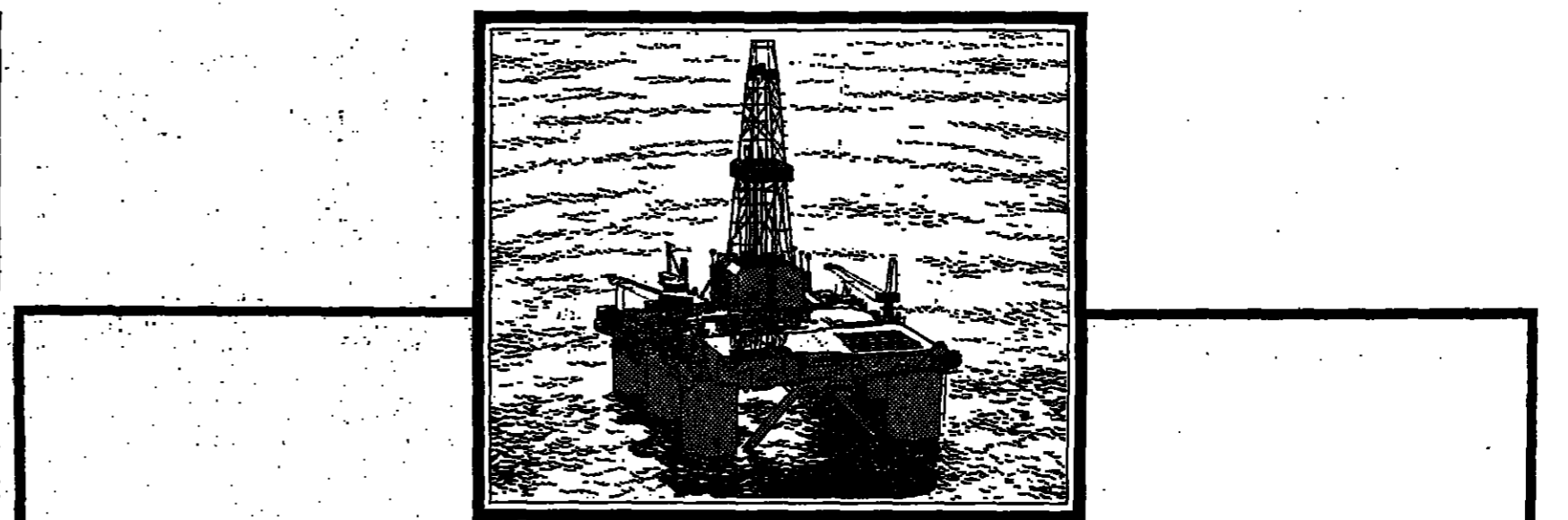
Twelve farm exporters to fight import curbs

TWELVE agricultural exporting countries, meeting in Thailand, have agreed to co-ordinate their stand against export subsidies and import restrictions.

He argued that new institutions should be more "solid," an argument rejected angrily by foreign and Portuguese private bankers.

Gonzalez names cabinet team

Mr Felipe Gonzalez, the Spanish Prime Minister, yesterday brought five new ministers into his cabinet and kept senior members of the Government in place in the economy, foreign affairs and interior portfolios.



First Half Results from Britoil

Table with financial data for Britoil, including Consolidated Profit and Loss Account, Turnover, Operating profit, Net interest, Profit on ordinary activities before taxation, Taxation, Profit for the financial period, Dividends, Amount set aside to reserves, Earnings per share, Dividend per share, Funds generated from operations less tax paid, and Additions to fixed assets.

MARKET CONDITIONS

In response to the adverse market conditions in the first half of the year, when the oil price fell from around \$30.00 per barrel to lower than \$10.00 at times during the second quarter, the exploration budget that had been proposed for 1986 has been cut by 40%.

THE SIX MONTHS IN BRIEF

- * Turnover decreased to \$546.1 million. Revenue from equity production at \$432.4 million and sales of purchased petroleum at \$113.7 million were down 44% and 41% respectively on 1985.

The Directors have decided, in view of the reduced profits in the first half of the year, to pay an interim dividend of 2.00p per share as against 4.00p in the corresponding half year of 1985.

Form for requesting a copy of the Interim Report, including fields for Name, Address, and Postcode, and the Britoil logo with the slogan 'Energy at Work for Britain'.

US contenders face being barred from radar contract

BY DAVID BUCHAN

TWO BIG US contenders to supply Britain with an airborne early warning system could be knocked out of the competition for the multi-million pound contract for lack of International Agreement on a dedicated frequency for their radar to operate on.

The Allied Radio Frequency Allocation Board in Brussels said earlier this month it could not give Grumman and Lockheed a dedicated, or cleared, ultra high frequency band for the APS-145 radar which both US companies are offering in their rival bids for the British contract. Other European users were already transmitting on the UHF band that the APS-145 uses, the board said.

However, Grumman and Lockheed yesterday said they were still pressing their bids, in spite of concerns by some officials in the Ministry of Defence that Britain should not commit itself to any airborne early warning system for which it did not have an operating frequency cleared internationally in advance.

The strategy of the two companies, which admit they have run into a big hitch in their bids, is to try to persuade the

UK Government that ARFAB agreement on a UHF frequency eventually can be negotiated. It took three years for such agreement on the S-band radar frequency used by the Boeing Airborne Warning and Control Systems aircraft operated by Nato. The companies also plan to show that the APS-145 radar is perfectly operable without a dedicated frequency.

The two other main contenders in the airborne early warning competition — Boeing and GEC of the UK — are not affected by the latest development. GEC, which is struggling against the US competition to complete its so far unsuccessful Nimrod early warning system, uses an S-band, the same as the Boeing Awacs.

The immediate result was a suggestion by Mr Peter Levene, the MoD chief of procurement, that Grumman and Lockheed prove their claim about the capability of the APS-145 radar with a demonstration. This can only be carried out by the US Navy, which operates more than 100 Grumman-built Hawkeye aircraft with General Electric supplied APS radar of its carriers. The MoD is considering requesting such a demonstration from the US Navy.

After talks with the MoD in London this week, Grumman officials led by Mr Rolf Larson, an executive vice president, and Mr George Lombard, a Lockheed-California vice president, all stressed the advantages of UHF radar over its S-band competitors in detecting cruise missiles and the low observable, so-called Stealth-type weapons, which the Soviet Union is likely to develop.

They also emphasised that the US Navy had for years been operating UHF radar equipped aircraft from its carriers around the world, in Europe and elsewhere, without interfering with other frequency users. They did not believe the US Navy had ever obtained a dedicated frequency for its Hawkeye early warning aircraft.

Mr Levene, who has sought to introduce maximum competition into defence procurement, is believed to be more concerned than some MoD technical evaluators at the possibility of two important competitors being knocked out at this stage of the airborne early warning contract competition, which will not be finally decided before September.

Guinness pressed for pledge on Scots role

By Peter Riddell, Political Editor

THE Department of Trade and Industry is holding discussions with Guinness, the UK brewing and retailing group, with a view to the company issuing a statement next week about its plans.

Ministers are pressing for a commitment by Guinness that it shall fulfil undertakings made when it took over Distillers, the spirits group, that the headquarters of the combined group would be in Scotland and that its employment there would be maintained.

The Department confirmed last night that Mr Michael Howard, Minister for Corporate and Consumer Affairs, had seen Mr Ernest Saunders, the Guinness chief executive, this week, but it refused to discuss the substance of the talks.

The discussions follow a row in the City and Whitehall over Guinness's announcement a fortnight ago that it was scrapping plans made during the Distillers takeover for a group supervisory board, chaired by Sir Thomas Risk, governor of the Bank of Scotland. The Bank of England rebuked the company and Mr Malcolm Rifkind, the Secretary for Scotland, reminded Mr Saunders of undertakings about the future in Scotland of the enlarged group.

In the background are implicit threats of government action, such as a close inspection of the company.

Mr Howard had hinted in a Commons written answer this week that he was looking at two sections of the Financial Services Bill, which proposes a regulatory framework for the City, in the light of events at Guinness. These sections refer to listing particulars and offer documents from companies engaged in takeover bids.

David Churchill reports on holiday companies' strategy options

Decision time in tour price war

BRITAIN'S leading package tour operators will over the next few weeks have to decide whether or not to take a gamble and continue their fierce price war into 1987.

Their decision will have to be made against a background of sharply increased numbers of foreign holidays this year but at an equally sharp cost to the travel trade.

Last week Travel Team, a London-based operator trading as Breakaway, became the latest casualty. Its collapse affects 700 holidaymakers still abroad and about 3,000 people with holiday bookings.

Although the rate of tour operator failures this year is running at about the same level as last year, there are fears within the industry that a rush of collapses could develop over the next two months as the season draws to a close.

Smaller tour operators who are at present under considerable financial strain still hope that cash flow from the current holiday season will bring salvation before the receiver has to be called in.

Last week the Civil Aviation Authority released figures showing just how vulnerable the travel trade is. Eight of the top 30 operators recorded losses totaling £12m last year, while 22 others had combined profits of almost £80m. About £23m of that came from the top two operators, Thomson Holidays and Intasun.

At the same time, travel agents—especially independent ones—are being squeezed by the smaller commissions they receive on bargain-price holidays.

Already, the price war between the leading travel agents has continued over into the winter holiday market, which traditionally is not fought on price.

However, it is the strategy for next summer that is now becoming the biggest worry for travel chiefs.



Foreign holiday bookings have increased sharply this year

for about a tenth of holiday costs.

Mr Charles Towbold, deputy managing director of Thomson Holidays, is convinced that the price-cutting tactic was right. "We felt that there was scope to increase both the overall market as well as our own share by this means—and this is exactly what has happened," he said.

While the overall summer tour market has grown by about 25 per cent to some 7.5m holidays, Thomson has seen its share increase from 20 per cent to over 30 per cent.

Thomson's profit margins have apparently not suffered by the chase for market share either.

With Intasun and other market leaders also sharing in the benefits of extra business from the price cuts, it is clear that those feeling most pressure are the smaller operators who cannot fight a price-cutting campaign.

The price war continues. Thomson last week cut the price of 100,000 of its 750,000 winter sun holidays after it found itself undercut by Intasun.

Yet the real struggle is still to come. Decisions taken in the next few weeks about the prospects for oil prices could easily be upset by factors outside the travel trade's control.

It is likely that the leading operators will offer guaranteed prices against any currency increases but will lose their nerve on fuel prices, retaining the option to impose a surcharge.

The price-cutting hysteria of last autumn, when Spanish holidays were being sold for as little as £5 each, is unlikely to be repeated in any credible way. Instead, brochure price rises of at least 5 per cent are expected.

This, however, will still enable companies such as Thomson and Intasun to maintain their competitive advantage over smaller tour operators—but in a less damaging way than an all-out price war.

Sir Douglas Wass to join Nomura

NOMURA INTERNATIONAL

THE London subsidiary of the Japanese securities company, has recruited Sir Douglas Wass to be its non-executive chairman from August 1.

Sir Douglas was permanent secretary to the Treasury from 1974 to 1983 and joint head of the Civil Service from 1981 to 1983.

He is chairman of Equity and Law Life Assurance, and a director of Barclays Bank and of the De La Rue Company.

Nomura said yesterday that it expects Sir Douglas to play mainly an advisory and ambassadorial role, supporting its efforts to become more integrated into the UK financial community.

He will not be involved in negotiations between the company's Japanese parent and the Bank of England over its application for a UK banking licence.

British Gas privatisation planned for November

BY LUCY KELLAWAY

THE PRIVATISATION of British Gas, the most ambitious sale of shares ever attempted, will take place in the second half of November, Mr Peter Walker, Energy Secretary, announced yesterday.

He also set a timetable for the establishment of the regulatory system for the privatised British Gas, as defined in the Gas Bill, which received Royal Assent yesterday.

The Office of Gas Supplies, the industry watchdog, will come into being on August 13. It will ensure that British Gas charges the correct price to its domestic customers and will promote competition in the industrial market.

A licence setting out rules for British Gas will come into force on August 23, in time for the creation of the following day of British Gas Plc. On that day, British Gas Corporation will cease to exist.

The City had set its sights on a flotation at the end of November, by which time the stock market should have regained its balance after the Big Bang, scheduled for October 27.

However, the announcement that the sale will go ahead, subject to market conditions, will end rumours that the privatisation might be delayed.

The sale of British Gas shares, expected to raise between £5bn and £6bn, forms the keystone of the Government's privatisation programme.

New finance chief at Standard Chartered

MR RICHARD STEIN, finance director of BOC, will join Standard Chartered bank as group finance director in September.

Mr Stuart Tarrant, the bank's former chief financial officer, resigned on Wednesday.

Caterer drops NHS contract

BY DAVID BRINDLE

SPINNEYS, the most successful catering company in the Government's competitive tendering programme for the National Health Service, has withdrawn interest in further contracts.

The move by the company, a subsidiary of Steel Brothers Holdings which says it is dissatisfied with the programme, is a setback for the Government at a time when ministers are reconsidering their plans, shelved last year, for compelling local authorities to adopt NHS-style tendering.

Spinneys says it will continue to operate seven contracts it has won since the NHS programme began in 1983. However, yesterday it gave four months' notice that it will pull out of an eight-year contract, due to be carried out in Birmingham, after the local health authority refused to increase the tender fee by 30 per cent.

Mr Philip Burton, Spinneys' marketing and sales director, said: "The whole problem is the way the competitive tendering process has been forced on the NHS, forced on an unwilling monarch."

"It has also been a pretence that there is fair competition between in-house services and contractors. Both sides believe it is unfair."

Spinneys was one of only a few catering companies to sidestep enthusiastic about the NHS programme, which also involves tendering for cleaning and laundry work. Some other leading caterers boycotted the programme until earlier this year, the Government agreed to allow management-fee or cost-plus tendering as well as fixed-price bids.

Mr Burton said the final straw for his company was the effect of the Government's move to scrap the general 35

per cent redundancy rebate. From next month, he said, contractors will have to bear the entire cost of making redundant an in-house workforce when a contract is won.

In Birmingham, Spinneys' asked for its fee to be increased from £810,000 a year to £730,000 for a catering contract begun in April at the 600-bed Queen Elizabeth Hospital.

Mr Chris Wallker, Central Birmingham Health Authority chairman, said: "This is very unsatisfactory state of affairs because we are already having financial difficulty in maintaining the high level of patient services at the hospital."

Mr Burton added that his company had under-estimated the cost of the contract. He said this was due to the company making a few estimating visits to the hospital because of trade union hostility to the tendering programme.

Dairy Crest campaign to continue

BY ANDREW GOWERS

INDEPENDENT dairy companies will continue to press the Milk Marketing Board to sell off its commercial arm, Dairy Crest Foods, in spite of yesterday's announcement of a truce between the companies, the board and the Agriculture Ministry.

The Ministry said Dairy Crest, alleged by its competitors to have enjoyed an unfair commercial advantage, would be incorporated as a wholly-owned subsidiary of the board next April.

It will also be subject to stricter monitoring by the Ministry than previously to ensure it operates like other commercial companies.

This will cover most aspects of its operations, from its financial performance to its borrowing and its milk pricing, supply and haulage arrangements.

Dairy Crest will be prevented from expanding further into the butter or cheese businesses, but it will be encouraged to continue to launch new products.

The board is a co-operative owned by English and Welsh dairy farmers which monopolises milk supplies. Dairy Crest, Britain's largest manufacturer of butter, skimmed milk powder and Cheddar cheese, was criticised in a Government-commissioned consultants' report for making an inadequate financial return for a normal commercial company.

Management institute head resigns

By Richard Evans

DR JOHN CONSTABLE, director-general of the British Institute of Management for less than a year, has resigned because of problems associated with its move from London to Corby, Northants.

More than 120 of the institute's staff of 150 have moved to Corby and most of the rest will do so soon, leaving only a handful in London.

Dr Constable, a former head of Cambridge Business School and a specialist in management education, plans to return to this field as a management consultant. He will retain close links with the BIM.

Sir Peter Parker, chairman, said he was very sorry about the resignation.

Dr Constable will remain in his post while discussions about a successor take place.

Industry 'needs outside help to adjust to market'

BY HAZEL DUFFY

INDUSTRY probably needs more outside help to adjust to present market conditions. This could involve long-term financial support by institutional shareholders, acting at the behest of a "catalyst."

This is the conclusion of a report by a working party of the National Economic Development Council's committee on finance which investigated the role of financial factors in influencing the speed and direction of capacity adjustment and restructuring in industry.

The committee, chaired by Sir John Baring, chairman of Baring Brothers, involved people from government, industry and the trade unions.

The report did not specify who or what the catalyst should be, but said its role would be to assemble a suitable consortium of willing backers.

It would conduct "discreet

negotiations with management, creditors, existing shareholders, and potential providers of new finance to secure agreement on such matters as the structure, terms and conditions of a financing package and possibly on management changes required by new backers.

It is a role the Bank of England has undertaken occasionally on an ad hoc basis.

The committee suggests three other areas requiring outside help: an early warning system to amplify and interpret market signals for industry; advice to help managers adjust; and a mechanism to alert public authorities—in, for instance, tax and anti-trust—to what companies are doing in adjusting to excess capacity.

Financial Aspects of Industrial Restructuring: NEDO Books, Millbank Tower, Millbank, London SW1P 4JX. £5

West Midlands to lose 1,050 transport jobs

Financial Times Reporter

MORE THAN 1,000 jobs are to be lost in streamlining by the West Midlands Passenger Transport Executive.

The 1,050 jobs are to go by the end of October with the closure of bus garages in Birmingham, Coventry and Wolverhampton, the executive said yesterday. It blamed the effects of the 1985 Transport Act, which requires it to operate as a commercial company, rather than partially as a social service.

The executive has 8,000 employees. This year, it announced the loss of 300 jobs at Walsall and Sandy Lane. Coventry and Union leaders were told yesterday the Sandy Lane garage would close, as would others at Cotteridge, Birmingham, and Park Lane, Wolverhampton.

Poverty-line figures up steeply

BY JOHN HUNT

GOVERNMENT figures showing a steep increase in the number of people living at or below the poverty line were placed in the Commons library just before it closed and when nearly all MPs had left for the summer recess.

No details of the statistics were given in written answers by Mr John Major, Under-Secretary for Health and Social Security, but he said he had set in train a technical review of the methods and assumptions on which the tables were based.

Mr Frank Field, Labour MP for Birkenhead, who specialises in social security, said tables showed 8.5m living at or below the poverty line. He described the Government's method of publishing the figures as "disgracefully underhand" and predicted that they would be widely used by Labour in the

run up to the general election. He has been campaigning for a year for their release.

Mr Field said the tables showed that in 1983 there were 8.5m people living at or below the poverty line. This was a sharp increase on the figure of 5.9m in 1979, the year the Conservative Government came to office.

From the statistics Mr Field estimates that the present figure is probably about 10.2m.

The tables are usually issued two years in arrears so that those for 1983 — the latest available — should have been published last year. Of the 8.5m, said Mr Field, the tables show that 2.7m are below the poverty line and 6.1m are living on it.

The definition of the poverty line is a single person on £29.40 a week and a married couple on £44.50. Mr Field put down

a written question, but in his reply Mr Major referred him to an answer he gave yesterday to Mrs Edwina Currie, Conservative MP for Derbyshire S.

This said the low income tables had been placed in the Commons library, but pointed out that since the Government came to office the real value of supplementary benefit had risen by 6 per cent. Mr Major claimed that this had distorted the results.

"Up to one third of the total increase in the number of families included in the tables is directly due to this improvement in the help provided for those most in need," he said.

That was why he had set in hand a review of the methods used in compiling them. He said the system had remained unchanged since the first analysis of this kind was made.

You should be reading Pensions Management magazine

NO CHANGE IN SURPLUS PROPOSALS

Despite widespread opposition to the Chancellor's proposals in his Budget speech to deal with the problem of pension fund surpluses, the original plans are going ahead.

In the Commons committee stage of the Financial Bill, ministers confirmed that the 5% limit and...

after sales service is also worth in mind for those now actively seeking this sort of package.

IN THE PINCS

The idea of the unitisation of single properties has been around since the early '60s. The reality, in the form of Property Income Certificates (PINCS), has nearly arrived.

Richard Ellis Financial Services and County Bank, advised by...

TUC LASHES GOVERNMENT EQUALITY FAILURE

The Trades Union Congress has told the Government that its proposals on equal retirement ages fail to tackle the real problems of discrimination in retirement.

It argues in its...

PENSIONS ADVISORY GROUP APPOINTED

Following Norman Fowler's announcement at the FT Pensions Management conference in March of his intention to set up a group to advise him on the introduction of personal pensions, we now have details of the group's membership.

These...

Discount Order Form

Please return to: Marketing Department, FT Business Information Ltd., Greyhound Place, Fetter Lane, London EC4A 3DF.

Yes, please enter my Subscription to PENSIONS MANAGEMENT at the special First-Time annual rate of £18 - saving £12 off the normal UK subscription rate of £30.

(Overseas subscribers pay £30, saving £15.11 understand that I will receive 14 issues: the first two issues free.)

Enclose a cheque to the value of £... made payable to FT Business Information Ltd.

I wish to pay by credit card. Please debit my account. VISA, ACCESS, AMERICAN EXPRESS, DINERS.

Card No.

Expiry date: ...

Signature: ... Date: ...

Please invoice me. Please invoice my company.

MONEY BACK GUARANTEE - After receiving my two issues of PENSIONS MANAGEMENT, if I am not satisfied, any payment I make now will be refunded in full. If I choose to have your bill me, and then cancel, I will owe nothing.

NAME & CAPITAL LETTERS

Name:

Company:

Address:

Post Code:

FT BUSINESS INFORMATION LIMITED, REG OFFICE: 19 CANON STREET, LONDON EC4A 3DF. REG NO: 90566 66208

Handwritten text at the bottom of the page, possibly a signature or date.

Nedo criticises plastics makers' return on capital

By TONY JACKSON

MOST plastics processors in Britain would get a better return on their capital if they invested their money in the Post Office, says a report from the National Economic Development Office.

Although industry profitability has recovered from its average of less than 10 per cent return on capital in 1981, many companies are not profitable enough to invest in new plant, to expand their markets or to provide their workers with employment security, says the report.

After examining several successful companies in the industry, the report defines the factors which have improved their profitability.

First and most essential, says Nedo, the successful company maintains that its main aim is to produce a profit. Senior executives in

small independent businesses sometimes do not know their current profitability, and refer enquiries about it to the company accountant," the report says.

According to other Nedo criteria, the successful plastics processor seeks to maximise added value; specialise (either by product, or by processes and services offered); offers the highest possible level of quality; is attentive to its investment policy; adheres to a set marketing policy; gives careful thought to labour relations; and has a well-defined command structure.

The report adds that subsidiaries succeed if given as much freedom as possible.

How to succeed in plastics processing, 23 from Nedo Books, Millbank Tower, Millbank, London SW1 4QX.

Warning over funds for youth training

By ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE Manpower Services Commission has told the Government that more funds may be needed if the Youth Training Scheme and the Technical and Vocational Education Initiative are to develop successfully.

In its response to the white paper, Working Together—Education and Training, published earlier this month, the commission indicates its willingness to operate within the Government's proposed financial structure. But it warns that funding will be tight and reserves the right to seek an increase.

He tells Lord Young that while the MSC will "endeavour to live with the consequences of your decision to fund the TVEI extension in the way you propose," the commission must reserve the right to seek extra resources to ensure the delivery of both programmes.

The proposed £90m a year for TVEI development will produce a less generous funding level for the national scheme than the pilot projects have received.

MSC commissioners who come from the CBI, TUC, education service and local authorities support the Government's decision to extend TVEI. But they have told Lord Young they are "determined that the high quality of the pilot scheme should be maintained."

The Government announced in the white paper that the TVEI pilot scheme, which is designed to offer a broader and more practical curriculum to 14 to 18-year-olds, is to be extended to all secondary schools.

It intends to make an average of £90m a year available to local education authorities over the next 10 years. This money, however, will come from the MSC's planned provision for young people—meaning the re-allocation of funds previously earmarked for YTS and the original TVEI pilot projects.

Mr Bryan Nicholson, MSC chairman, says in a letter to Lord Young, Employment Secretary, that "the commission as a whole remains concerned that existing planned provision could prove to be insufficient to run both YTS and a national TVEI programme successfully."

Mr Nicholson says in his letter that "while welcoming the national extension and agreeing that it should be possible to make significant progress on the basis proposed, the commission took the view that funding is tight, as compared with the pilot scheme."

The extension would need to be monitored to ensure that resources were adequate to meet the initiative's aims.

The commission warns it is important to ensure a sufficient supply of qualified, specialist teachers if TVEI is to succeed. Britain faces a serious shortage of teachers in mathematics, science and design subjects—specialist areas on which TVEI heavily depends.

MPs hit at lack of contract for MoD freight agent

By DAVID BUCHAN

THE COMMONS Public Accounts Committee yesterday criticised the way a private company has—for almost 120 years—been allowed to handle Ministry of Defence freight shipments without a proper contract or submission to competition.

Since 1870 Hogg Robinson, the travel and insurance group, has acted as the official Government Freight Agent, responsible for about £50m worth of MoD freight business not carried each year by the services' 68 transport aircraft, nine ships, five tankers and many trucks.

The PAC considers it "extraordinary" that the freight agent's business should not have been governed by a formal contract for so long, and expresses its dissatisfaction that the agent has no financial incentive to maximise value for money in

placing MoD shipments. It also regards as "excessive" the commission formula set for the agents costs plus 14 per cent.

Mr Robert Sheldon, Labour MP for Ashton-under-Lyne and chairman of the PAC, yesterday called on the Department of Transport "to bring what seems to have been a cosy relationship to an end or to where you can justify it rather more than it has been justified so far."

Hogg Robinson said last night discussions with the Government about a contract had started last year, but the complexity of the work, particularly in times of national emergency, did not easily lend itself to encapsulation in a contract.

POC 49th report 1985-86 session: Services, Movements, Ministry of Defence, HMSO £4

Call for access to BS books

By CHRISTOPHER PARKES

THE LATEST Commons investigation into the decline of British shipbuilders raised many more questions than it answered, according to a report published yesterday by the Public Accounts Committee.

The committee said it needed greater access to information on the management and finances of British Shipbuilders if it was properly to assess and understand the sources of the state industry's problems.

It acknowledged the extent of the crisis which had swept world shipping. However, it added: "we regret that it is difficult for us to judge whether there have been internal factors such as the quality of BS's management and use of resources which have had a significant effect on performance."

The committee repeated earlier protests that a proper measure of the accountability of nationalised industries could be achieved only if the National Audit Office had access to industries' books and records.

Stressing that BS had soaked up more than £1.4bn of taxpayers money, the committee

noted its poor corporate planning record and, more recently, the distressing prospect of major closures.

It said it would have liked an "informed discussion" in which the Department of Trade and Industry could have answered questions such as:

- How well had BS been managed?
- Had assistance been used effectively?
- Would BS have been in a better position if it had closed more shipyards sooner and modernised the remainder?
- Had there been sufficient capital expenditure in the most suitable dockyards?
- Had too much government assistance been put into meeting day-to-day losses rather than necessary reconstruction?

The committee's indirect request for the Comptroller and Auditor-General to be allowed access to the BS books was firmly rejected.

"In their (the DTI's) view, it was for them to monitor BS and for BS management to run the enterprise," the report said.

It was the responsibility of NAO to monitor the department's monitoring role but not

Dalyell lays Westland leak at PM's door

By Ivor Owen

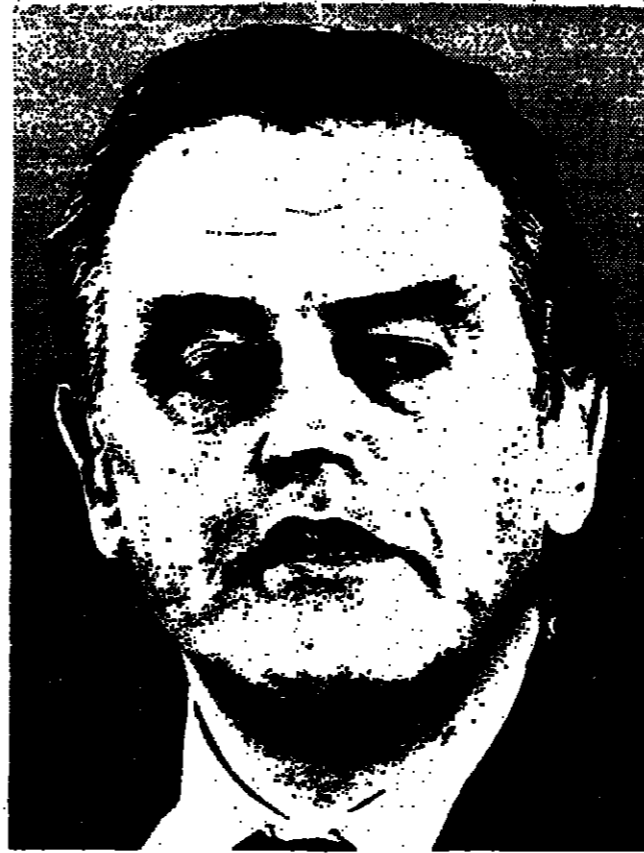
A NOD, wink or instruction from Mrs Margaret Thatcher led to the leaking of the letter written by Sir Patrick Mayhew, the Solicitor-General, to Mr Michael Heseltine, then the Defence Secretary, at the height of the Westland affair, Mr Tam Dalyell, Labour MP for Linlithgow, claimed in the Commons yesterday.

He asserted that the Solicitor-General had been "used and abused," even to the extent that the tactic of making a selective leak to the Press Association, in order to discredit Mr Heseltine, had been decided before the letter was written.

Mr Richard Luce, who shares with the Prime Minister ministerial responsibility for the Civil Service, scoffed at Mr Dalyell's charges and told him: "One of your obsessions is that there is a conspiracy by the Government against the nation."

Hazel Duffy looks at the Government's stance on Whitehall's structure Door open for Civil Service reform

IT APPEARS the Government may be tacitly acknowledging that the structure of responsibility for the civil service within government needs to be changed.



Sir Robert Armstrong: defended dual role

This week instead of slamming the door on recent reform recommendations from the Commons Treasury and Civil Service Committee—which emanated from a high-level investigation chaired by Mr Austin Mitchell, Labour MP for Great Grimsby—the Government has suggested that ministers know that all is not well in the service.

The official response welcomed the committee's report "as a contribution to the public discussion of a number of important and sensitive issues which lie at the heart of the exercise of government in a parliamentary democracy and in a complex industrialised society." The response was intended "as a contribution to a continuing discussion, not as the last word in an argument."

Alongside the harsh criticisms of six named civil servants, the headline-grabbing report of the Commons Defence Committee on the Westland affair (published the same day as the response), these words may seem to be an excuse for inaction.

Sentiment is growing that the structure of responsibility for the civil service is unsatisfactory. Several witnesses, including Mr James Callaghan, Mr Edward Heath and Sir Douglas Wass (former Treasury Permanent Secretary) told the Commons committee that Sir Robert's dual roles harbour potential conflict of loyalties.

Sir Robert, twice giving evidence to the committee, denied this. He argued that it is not the job of the civil service head to represent civil servants in particular departments.

He said the advantage of combining the roles was that he saw the Prime Minister daily, and that there was not enough for the civil service head to do to make it a full-time job. His critics, including the MPs who reported on Westland, do not agree.

In other areas, responsibility for the civil service is split. The Treasury looks after pay and manpower and the Management and Personnel Office, under the Cabinet Office, looks after personnel management recruitment, training, and the like. The division, which came about

when Mrs Thatcher abolished the Civil Service Department in 1981, looks increasingly odd as pay is an increasingly integral part of the services personnel problems.

Mr Callaghan has called the divisions a "mishmash." He said: "The Prime Minister takes on appointments, the Minister of Arts and Culture (Mr Richard Luce, who is also minister for the civil service) gets manpower, which I think is absurd, and the Treasury takes a third aspect of the matter so it divides into three like Gaul."

Many civil servants are unhappy about several things, especially pay and promotion bottlenecks. The committee raised those complaints, particularly those that affect the more senior officials working in Whitehall.

Mr Terence Higgins, the chairman, believed accountability was a key area which needed redefinition, particularly in the light of the Westland affair. Does the traditional definition—ministers accountable to parliament, civil servants to ministers, still hold good?

Mr John Ward, general secretary of the First Division Association, the top civil servants' union, thinks not. He sees civil servants as having been put in an "impossible position," named and blamed by select committees on Westland and on the tin crisis when MPs could not get at ministers.

The code of ethics, the Armstrong Memorandum, issued by Sir Robert after the messy Clive Pointing Affair, sets out the procedure for civil servants who ministers ask to act in ways which go against their consciences.

Mr Joe Haines described it to the civil service committee as "a plea for the retention of the amateur captain in county cricket. It is romantic and unrealistic." The MPs agreed.

Bank issues £400m of indexed gilts

By George Graham

THE Bank of England yesterday started the London securities market by issuing £400m of new index-linked gilt-edged Government stock to meet what it described as "specific investment demand for stock of this type."

Dealers said it was unprecedented for the Bank to state its reason for issuing a stock in this way.

The stock is believed to be intended to meet sudden need from a large pension fund which requires index-linked gilts in order to match its commitment to increase the pensions it pays out in line with the cost of living.

British Gas, for example, has in the past, as a state-owned corporation, raised pension payments in line with the cost of living. In the process of preparing for its flotation on the stock market later this year the company plans to incorporate this and other existing practices into the rules of its pension scheme.

The new stock, Treasury 21 per cent index linked, maturing in 2016, is to be offered by tender next week to allow the investor that has expressed its interest and other interested investors to bid for it. No minimum tender price is stipulated, but £40 will be due immediately with the remainder to be paid on September 8.

With only £10bn of index-linked gilts in issue, the new £400m tranche is a larger addition to the market than is usual. Index-linked stocks, whose capital value and interest payments both increase in line with the retail price index, are mainly bought by pension funds and insurance companies to match future liabilities that are pegged to inflation.

Claims likely over shelved local radio

By David Thomas

APPLICANTS affected by the Government's decision to shelve an experimental national network of community radio stations are considering claiming compensation.

Nearly 280 of them applied for the 25 radio licences the Government intended to allocate under an experiment it shelved this month partly because of its concern about lack of regulation.

THE WHARF COMPANY

1886-1986

The Hongkong & Kowloon Wharf & Godown Company, Limited

Group Results

For the financial year ended 31st March, 1986

Highlights

- Consolidated turnover increased by 112.3% from HK\$1,530.2 million to HK\$3,247.9 million. Consolidated profit, after tax but before extraordinary items, and earnings per share both increased by 50.8%, from HK\$468.9 million and HK\$706.9 million and 30.1 cents to HK\$714.8 million and HK\$714.8 million respectively. Net extraordinary profits amounted to HK\$7.9 million.
- A final dividend of 33.0 cents per share is proposed, making a total dividend of 31.5 cents per share in respect of the year. This represents an increase of 50.9% compared with the 21.0 cents per share paid for the previous year.
- To mark the centenary of the founding of the Company, a capitalisation issue of 1 new share for every 10 shares held and a bonus issue of 1 centenary warrant for every 10 shares held will be proposed. Each warrant will entitle warrantholders to subscribe HK\$7.50 for shares in the Company until 31st December, 1990 at an exercise price, subject to adjustment, of HK\$7.50 per share. It should be noted that the exercise price takes account of the proposed 1-for-10 capitalisation issue and should accordingly be compared with the re-capitalisation price of the Company's shares. The capitalisation issue and bonus centenary warrants will be subject to the approval of Members at an Extraordinary General Meeting to be held immediately following this year's Annual General Meeting and to listing being granted by The Stock Exchange of Hong Kong Limited.
- The Group's financial position continues to be strong. Total current assets exceeded total current liabilities by HK\$1,968.1 million as at 31st March, 1986.
- The acquisition of Wheelock Marden and Company Limited ("Wheelock") in 1985 was about HK\$2,500 million. The Company has accelerated the retirement of the debt that arose therefrom and total borrowings for the Company and its wholly-owned subsidiaries less their total liquid funds and financial investments now stand at slightly higher than HK\$900 million.

To reflect the Company's current status as a parent holding company of a diversified group, a proposal to change the name of the Company to "The Wharf (Holdings) Limited" will be put forward for the approval of Members at the forthcoming Annual General Meeting.

- With the satisfactory recovery of the property market in 1985, the Group's substantial interest in the property sector has recorded increased profit. The Group's prime properties at Kowloon Point have performed particularly well and both Wheelock House and Lane Crawford House in Central have become fully leased by the end of 1985.
- The Hongkong Hotel, The Marco Polo and The Prince, the Group's three hotels in Hong Kong, have achieved increased profits, with high occupancy levels and improved room rates. There was, however, no improvement in the performance of Hotel Marco Polo, Singapore, being affected by the local market depression. Marco Polo International has been set up as a division to assume the management of the Group's four hotels effective from 1st January, 1986.
- Refurbishment plans for the Tramways and the Star Ferry are now in progress with a view to improving services and increasing revenue. The proposed relocation of the tram depot to two new depots at either end of the system has been approved by the Government in principle.
- The performance of the Group's terminal and warehouse operations was satisfactory. Improved returns were received from the Group's 40% owned associate, Modern Terminals (Berth 5) Limited. Agreement in principle has been reached to merge this company with Modern Terminals Limited, resulting in the Group becoming the single largest shareholder in the merged company.
- The integration of Wheelock into the Group has been substantially and satisfactorily completed. Certain unprofitable or non-strategic subsidiaries have already been sold or have ceased business. Wheelock's businesses in trading and retailing, manufacturing and commercial services have reported satisfactory results.

Summary of Group Results		
For the year ended 31st March	1985	1986*
	HK\$ million	HK\$ million
Turnover	1,530.2	3,247.9
Profit before taxation	1,185.2	1,777.5
Taxation	(716.3)	(665.5)
Profit after taxation	468.9	1,112.0
Minority interests	(31.5)	(42.2)
Group profit before extraordinary items	437.4	1,069.8
Extraordinary items	269.5	35.7
Group profit after extraordinary items	706.9	1,105.5
Earnings per share before extraordinary items	45.4c	71.4c

* Figures have been restated as a result of the Group adopting equity accounting for associates.

The Annual General Meeting and the Extraordinary General Meeting of Members of the Company will be held on Monday, 29th September, 1986.

The Register of Members of the Company will be closed from 16th September, 1986 to 29th September, 1986, both days inclusive.

By Order of the Board
WORLD-WIDE SECRETARIES LIMITED
Secretaries

Hong Kong, 25th July, 1986.

ECONOMIC DIARY

TOMORROW: Mr George Bush, US Vice-President, visits Jerusalem (until July 30). Thai general election.

TUESDAY: Sir Geoffrey Howe, Foreign Secretary, has second meeting with South African President. Both Bricks and cement production and deliveries (second quarter provisional). CBI publishes industrial trends survey (July). British Coal issues annual report. National Westminster Bank interim results. US second quarter productivity data.

WEDNESDAY: Overseas travel and tourism (May). New vehicle registrations (June). Mr George Bush, US Vice-President, to visit Jordan (until August 2). UN talks on Afghanistan resume in Geneva.

THURSDAY: Energy trends (May). UK balance of payments—overseas earnings of the City (1985). London Chamber of Commerce hold seminar on "The cause and effects of the 'big bang'" at the Savoy Hotel, W.C.2. New Zealand Government presents budget for fiscal 1986-87. US index of leading indicators (June). Midland Bank interim figures.

FRIDAY: Housing starts and completions (June). Car and commercial production (June—final).

Handwritten note: 10/10/86

BA says cheaper fuel will not lead to lower fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

REDUCTIONS in the cost of aviation fuel as a result of lower crude oil prices are not likely to bring down air fares but will only go some way towards offsetting cost increases in other areas.

Mr Colin Marshall, chief executive of British Airways, says that extra security precautions, higher landing fees and air traffic control charges, together with monopoly fuel suppliers at some places who do not pass on cheaper fuel costs, mean that reduced fares are out of the question.

"We stand a much better chance of controlling fuel costs, not through lower prices, but through technological development," he says in the latest issue of Business Life, BA's magazine.

Mr Marshall points out that while crude oil prices have dropped considerably, this has not necessarily been passed on in aviation fuel prices.

"Although aviation fuel prices are tending to drop, the decline is nothing like that which we have seen in crude oil," he says.

Moreover, the notional price of aviation fuel in world markets is one thing; the price that we pay at individual airports around the world is quite another.

While BA can bargain on fuel prices at some airports, at others it has no choice but to pay the price demanded because the local supplier has a monopoly.

"Where that applies, airlines can expect to pay prices that bear no relation whatever to the theoretical free market figure," Mr Marshall says.

"Our most effective response is to pick up as much of our fuel as possible where it is cheapest.

"No foreseeable reduction in fuel prices is going to do more, I am afraid, than help to offset

the kind of uncontrollable cost increases we face in other directions."

However, technological developments on the way, such as the prop-fan power-plant concept that gives substantial savings in fuel costs over conventional jet engines, will do much to help airlines' costs.

"It holds out the prospect of an aircraft that will fly as fast as present jets, but will use only about 40 per cent of the fuel per seat-mile consumed by a Trident 3.

"By the turn of the century, a lot of British Airways' passengers will probably be flying in prop-fan aircraft."

Meanwhile, BA is to install improved jet engines in its Rolls-Royce-powered Boeing 747 Jumbo jets, at a cost of £100m.

This will be justified by the improved range and lower fuel consumption of the modified engines

Share offer aimed at boosting love and justice

By Richard Tomkins

A BRITISH importer of Third World products is pricking investors' consciences with a share offer aimed at helping increase "love, justice and equity" in international trade.

Tridacraft, a company based in Gateshead, Tyne-side, was founded in 1979 to work for fairer trading systems with poor countries by setting a practical example. It imports and markets products such as tea and coffee, handicrafts, textiles and carpets.

From a quoted company's point of view, its example lacks obvious appeal: pre-tax profits, after five years of steady progress to £59,000 in 1985, swung to a £51,000 deficit in the year to last March on turnover up from £2m to £2.7m.

Tridacraft, however, is not a quoted company. It is controlled by a charitable trust called Tridacraft Exchange whose objective is to apply Christian ethics to international trade, and it does not want to make large profits.

Last year's losses were apparently caused by the cost of developing new products and investment in the company's education programme, which is aimed at informing the public about fair trade.

However, Tridacraft is expecting a modest surplus for the current year.

Tridacraft says it has sold more than £2m-worth of products in the last seven years, mostly from community-based projects in developing countries. Its work supports more than 6,000 people in the poorest countries and it is making its £1.15m share offer so that it can finance further growth without the need for high profits.

Some 1m non-voting B shares are being issued at £1.15 a share, but the company warns they should not be regarded as an investment for profit.

The company says the offer is aimed at people who are interested in the well-being of the weak and disadvantaged. However, there will be a gross dividend yield of up to 6 per cent, and investments of £500 or more will be eligible for tax relief under the business expansion scheme.

David Thomas on plans to attract private capital to the mail industry

Post Office ponders joint ventures

SENIOR Post Office managers are busy pondering the implications of an instruction they received this week from Mr Paul Channon, Trade and Industry Secretary, to consider using private capital.

Their first reaction was defensive: No, the instruction did not herald the privatisation of all or parts of the business, a move long feared by union leaders.

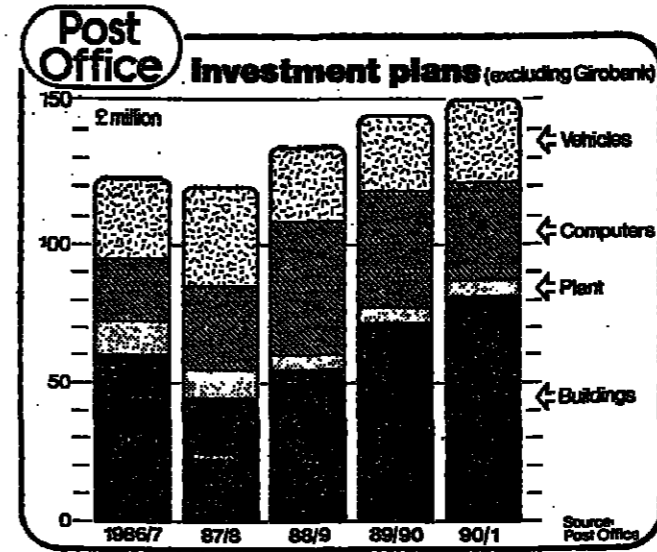
Department of Trade and Industry officials were equally categorical on this.

But the next reaction at the Post Office's Victoria headquarters was one of interest. After all, on the day Mr Channon gave his instruction, Sir Ron Dearing, Post Office chairman, was complaining that the external financing limit and the limit on capital spending set by the Government were constraining the corporation's investment plans.

So why not agree to some joint ventures with the private sector to attract cash for the Post Office's modernisation?

For the moment, the Post Office is keeping its counsel about the best prospects for such ventures. But its investment plans encompass several areas where there is potential for risk-sharing with the private sector. They include:

- Property: The Post Office uses buildings on a huge scale. Much of its capital investment over the next five years will go on buildings. Some form of private capital participation in its property development, perhaps on a sale and lease back basis, could prove helpful.
- Equipment development:



Much of the research on more effective equipment such as coding and sorting machines, is carried out by the Post Office, which would keep the patents.

The Post Office's main suppliers—companies like Frazer Nash, the electronics and engineering group, Plessey and GEC, could share more of the development costs, in return for some share of the returns.

● Counter automation: The Post Office intends to agree main contracts for its counter automation plans in the autumn. The first phase will cost £60m over five years. Again, this would appear to be a candidate for risk sharing.

● Premium services: The Post Office has plans to develop its premium services. For example,

it wants to extend the coverage of its next-day Datapost service within Europe and the US. Private capital could participate in these relatively discrete services.

With National Girobank, the Post Office's banking subsidiary, the opportunities for joint ventures are perhaps even more abundant. Over the past three years, it has started to broaden its services, often in partnership with the private sector.

It has a 20 per cent stake in the Link cash dispensing service, giving it more comprehensive national coverage than it would have developed by itself. It launched its Visa service with the help of Barclays.

Mr Malcolm Williamson,

Girobank managing director, has plans for more services, starting with mortgages in the autumn, for which Girobank will be in partnership with Segwick, the insurance broker.

Other proposals Girobank is considering include a high interest deposit account; improved overdraft facilities; new types of plastic card account; marketing the new Personal Equity Plans; and getting into unit trusts.

Some of these would have to be the product of joint ventures. Girobank is not thinking of setting up its own unit trust operation, but marketing existing unit trusts in Post Offices, with final transactions being done over the phone. "We're trying to turn Girobank into a mail order by telephone company," explains Mr Williamson.

There is plenty of potential for joint ventures with the private sector. Ironically, the problems may lie in two areas within government control.

First, there is the point, from the Post Office's viewpoint, in attracting private capital if the Government's immediate response is to increase the corporation's external financing limit. It is not clear whether the Government would be flexible on this.

Second, the Post Office is prevented by law from dealing with the private sector in certain areas. For instance, it would need a change in the law to start offering airline tickets or theatre tickets.

The Post Office might bounce a few demands of its own back to Mr Channon when replying to his instruction.

Be more commercial, CAA told

BY MICHAEL DONNE

MR JOHN MOORE, Secretary for Transport, has urged Mr Christopher Tugendhat, chairman of the Civil Aviation Authority, to have a more commercially-orientated approach to its task.

In a letter to Mr Tugendhat, Mr Moore points out that the CAA, the governing body of UK civil aviation, has operated with its present structure since 1972, except for the formation of a separate subsidiary company for its Scottish aerodromes.

"The time is ripe to review its organisational structure, and this you should do, assisted as necessary by outside management consultants," says Mr Moore.

"This review should have in mind the need to encourage further a commercial approach within the authority, and to devolve management responsibility."

It should also "ensure

adequate control of both capital and current expenditure," and consider the need "to continue to take a corporate view of its priorities, set targets for parts of the business and ensure they are achieved."

In particular, the authority is ordered to review the National Air Traffic Services, controlling all aircraft movements over the UK, and to consider whether alternative suppliers for such operations might be found.

adequate control of both capital and current expenditure," and consider the need "to continue to take a corporate view of its priorities, set targets for parts of the business and ensure they are achieved."

In particular, the authority is ordered to review the National Air Traffic Services, controlling all aircraft movements over the UK, and to consider whether alternative suppliers for such operations might be found.

Sale of Crown Suppliers still sought

BY RICHARD EVANS

THE GOVERNMENT is still seeking ways of privatising the Crown Suppliers which furnishes public buildings and runs Ministerial cars, despite opposition to the proposal in a recent report by senior civil servants.

In a review last year of the future of the Crown Suppliers, a self-financing business within the Government with a turnover of more than £240m, officials decided privatisation would be feasible but would not neces-

sarily be in the public interest.

Instead, they called for greater efficiency and the contracting out of certain activities.

However, Sir George Young, Environment junior Minister, said in a Commons written answer yesterday: "Despite these recommendations, Mr Nicholas Ridley, Environment Secretary, and myself believe that privatisation may be a valid option."

He said the Government—"without commitment"—had

decided it was timely to seek the advice of an outside institution, probably a merchant bank, on the feasibility of privatising all or part of the Crown Suppliers, including the possibility of some form of management/staff financial participation in the business.

A decision on privatisation, he said, must take account of the costs and benefits to the Government, including the marketable value of the organisation and the effects on other Government departments.

Royal Assents close Commons session

BY JOHN HUNT

A TOTAL of 17 bills, many of them major and controversial measures, received the Royal Assent yesterday, bringing to an end a busy Commons session which had clogged the legislative machinery.

The Social Security Bill, on which the Government had to reverse important amendments by the Lords, was one of the main items to become law.

It changes profoundly the State earnings-related pension scheme and amends housing benefits, among many other provisions. One clause which attracted particular opposition means that people on supple-

mentary benefit will no longer be able to claim a full rebate of their local authority rates.

Mr Michael Meacher, the Labour Party's social security spokesman, said yesterday that, if his party comes to power before the Bill is implemented in 1988, it will block the measure. If it comes to office later, it would repeal the bulk of it.

He described it as "the most callous and outrageous example of the Tories' new 'caring capitalism'."

However, Mr Norman Fowler, the Social Services Secretary, described it as the most funda-

mental review of social security since the second world war, and said it would direct help more effectively to people who need it most.

Another controversial measure to become law was the Wages Bill which removes workers under 21 from the protection of Wages Councils.

Mr Kenneth Clarke, Paymaster-General, claimed yesterday that it would create jobs for young people and encourage enterprise by lifting from business the burden of complex orders by the councils.

Others, receiving the Royal Assent were the Gas Act that

privatises the gas industry, the Finance Act that implements the Budget, the Dockyard Services Act that transfers the Royal Dockyards to commercial management, the Insolvency Act, the Crown Agents (Amendment) Act and the Company Directors (Disqualification) Act.

There are, however, still several major bills before the House of Lords. These will be dealt with next week and in the overspill period later in the summer.

These include the Financial Services Bill to effect self-regulation in the City in preparation for the Big Bang.

At £116, nobody flies lower to the Low Countries.

Our Amsterdam Same-Day Saver fare offers the best value around with a choice of 3 flights out of Heathrow and 3 back, Monday to Friday. Contact your travel agent or British Airways travel shop for the low down.

BRITISH AIRWAYS
The world's favourite airline.

مكتبة من الكتب

Teachers reject salary plan but talks continue

BY DAVID BRINDLE

THE TEACHING unions yesterday rejected pay proposals tabled at the opening of week-end negotiations on a new employment contract and salary structure for teachers in England and Wales.

However, there were signs that the unions and education authority leaders were equally determined to progress towards an agreement and to compromise.

The education authorities' proposals would add at least £850m to the annual pay bill through the phasing in over a five-year period of a revised salary structure. Excluding yearly cost of living increases, this would increase salary costs alone by 11.7 per cent.

In addition there would be further unspecified costs through the "significant manpower implications" expected to

result from the planned contract changes.

At the opening of negotiations at a Coventry hotel yesterday, the unions were united in rejection of the salary figures. These would give starting pay of £7,600 a year and a main professional grade for most teachers ranging from £9,600 to £14,000.

After indications that these figures could be reviewed, discussion moved to contract issues, and concentrated on two questions.

First, the unions pressed for employer concessions on teachers' obligations to cover for absent colleagues. Second, they demanded contractual limits on class size and teaching time, allowing for non-contact or non-teaching periods.

In their proposals the employers are offering non-contact

time of two hours a week for secondary school teachers only, warning that extending this to the primary sector would have "significant implications" for staff members.

On class size, the employers are accepting the principle of specified maximums but propose only to issue advice to education authorities after consultation with the unions.

John Pearman, the employers' leader, said he wanted to reach "heads of agreement" this weekend for further talks in the summer. He described the political and financial pressures on the talks as "very high."

Any agreement emerging from the negotiations will go to the Government for funding approval. Ministers are sticking to their earlier offer of up to \$450m a year extra.

Move to halt prison governors' defection

By David Brindle, Labour Correspondent

LEADERS OF THE Society of Civil and Public Servants moved yesterday, to try to prevent defection from the union by 500 prison governors.

A meeting of the SCPS executive council called for talks with the governors, who have been considering proposals for a breakaway "non-political" union.

Mr Leslie Christie, SCPS general secretary, said last night: "We believe we can find a system that can meet most of their concerns. Our record on representing them stands any comparison."

The issue came to a head after Mr Christie counselled a meeting of the prison governors section, due to have been held this week to discuss service conditions, when it was learned that the possibility of leaving the union was also to be considered.

There has been friction between the prison governors and the SCPS Home Office group, within which they fall. This began over the nature of evidence to be submitted to a government review on prison management.

It is also likely that there has been unease among the prison governors over the political stance of the union which, though not affiliated to the Labour Party, is regarded as being strongly left wing.

The SCPS executive yesterday refused to improve pay offers to two groups of the staff who brought the work of the union to a halt on Thursday with a one-day strike. The strike, staged by the entire branch of the white-collar union Apex, the staff's union, was followed yesterday by the start of a work to rule by the employees in dispute - negotiating officers and executive assistants.

The executive has offered the executive assistants 8.6 per cent on the basis of an index-linked formula.

The negotiating officers have been offered 6 per cent, the same as SCPS members, with an alternative option to consolidate overtime payments in an 11.3 per cent package.

ICI unions to vote on strike over pay

BY HELEN HAGUE, LABOUR STAFF

MORE THAN 30,000 Imperial Chemical Industries manual workers are to be balloted on strike action after pay negotiations broke down yesterday.

The company's 5.3 per cent offer has already been rejected by the six unions which make up the negotiating team after consultation with members at more than 60 British plants.

Management originally offered a 4.4 per cent rise. It refused yesterday to increase the offer - said to be worth between £8 and £9 a week.

Mr Fred Higgs, acting secretary for the Transport and General Workers' Union's chemical trades group, which represents 14,000 ICI manual workers, said a yes vote for industrial action would have a huge impact on British manufacturing industry. ICI is the largest supplier of chemicals to industry.

He said the unions had been forced into holding membership ballots on industrial action because the company has

refused to increase its offer in the face of an earlier rejection. ICI said yesterday it was disappointed with the union's response. It believed the offer was realistic, considering falling inflation.

The annual pay deal runs from June each year. Last year the unions settled at the management's final offer of 7.5 per cent.

In May this year the Chemical Industries Association, which represents companies such as BP Chemicals, Albright and Wilson and Laporte, reached a pay deal with the unions which gave a 5.3-per-cent rise in new money plus a 2.1-per-cent rise made up of consolidating existing payments into basic rates.

The unions are the TGWU, the electricians union EETPU, the Amalgamated Union of Engineering Workers, the General, Municipal and Boilermakers' Union, the construction workers' union Ueatt and Tass, the manufacturing union.

Deputy chairman at Lucas Industries

BY HELEN HAGUE, LABOUR STAFF

LUCAS INDUSTRIES has appointed Mr A. K. (Tony) Gill as deputy chairman from August 1. He will continue in his current role as group managing director in addition to the wider responsibilities of his new appointment.

Mr Gill was appointed joint group managing director in 1980 and in this role he became chairman of Lucas Aerospace, Lucas Girling, Lucas GAV and Lucas Industries Inc (North America). In January 1984 he became chairman of the other Lucas major subsidiaries - Lucas Electric, Lucas World Service, Rists and Lucas Industrial Systems.

Mr Peter Parsons has been promoted to managing director for Europe, the Middle East and Scandinavia for US TOBACCO INTERNATIONAL, part of US Tobacco. Mr Parsons was formerly regional director UK.

Mr Parsons succeeds Mr Joe Taddeo who is returning to US Tobacco International's headquarters in the US where he will be responsible for the company's European and Middle East as well as Central and South American operations. Mr John Waller, European marketing director, has been promoted to regional director for the UK, Scandinavia and Africa.

Michael Christophers a director and general manager. In addition to his existing responsibility for administration and actuarial, his new role will include responsibility for training, human resources and DP/Infotech.

Mr Robin Young has been appointed a director of THE SECURITIES TRUST OF SCOTLAND. He is a director of Martin Currie, the independent Edinburgh investment managers.

The initial boards of the four new banking companies - TSB ENGLAND, TSB NORTHERN IRELAND and TSB CHANNEL ISLANDS - have been appointed. The companies were established following the restructuring of the TSB Group.

At England & Wales Mr Nigel Robson has become chairman, and Mr George Barrett and Mr Kenneth Millipich deputy chairmen. Mr Alistair Boyd, Mr Brian Cooper, Mr Leonard Corp, Mr Kelvin Mills, Mr Leslie Priestley (chief general manager) are executive directors. Mr Neville Barks, Lord Bruce-Gardyne, Mr Philip Charlton and Sir John Read have been appointed non-executive directors.

The TSB Scotland board is as follows: Mr Richard Ellis, chairman, Mr Forbes Macpherson, deputy chairman, Mr Anthony Davidson, Mr Alistair Dempster, Mr Ian Macdonald (chief general manager), Mr David McLean and Mr Eric Wilson, executive directors. Mr Lyndon Bolton, Mr Philip Charlton, Mr John Craebeck, Mr Edward Cunningham, Ms Margaret Hook, Mr Ronald Macpherson and Sir Jack Stewart-Clark have been made non-executive directors.

Mr Stanley Rainey has been appointed chairman of TSB Northern Ireland and Mr William Carson has become deputy chairman. The executive directors are Mr Francis Cashman, Mr Walter Green, Mr Bryan Johnston (general manager) and the non-executive directors are Mr Philip Charlton, Mr David Fawcett, Mr Edward Johnston, Mr Thomas King, Mr Eric Martin, Mr Eric McDowell, Mr Andrew Russell, Mr Robert Toland and Mr Elliott Wilson.

At TSB Channel Islands, Mr Reginald Jeanes is chairman and Mr Dennis Creesey deputy chairman. Mr David Gibson, Mr Moore Harvey (general manager) and Mr George McD. Thain are executive directors. Mr Peter Blampied, Mr Philip Charlton, Mr Peter Harwood, Mr Donald Le Soutillier, Mr Rodney Picot, Mr Ronald de Putron and Mr Harry Taylor have been appointed non-executive directors.

Tass votes for action at Lucas

BY HELEN HAGUE, LABOUR STAFF

MEMBERS OF Tass, the manufacturing industry union, have voted by a three to one majority to begin a programme of limited industrial action for a bigger pay offer from Lucas Industries, the motor and aerospace components group.

The company has offered pay increases of between 3 and 5 per cent, says the union, which claims a 12 per cent rise on basic rates across the board.

Since the offer was made on Monday, the union has consulted its members, of whom 2,553 rejected the offer and

433 accepted. Those voting against also endorsed a package of industrial action, to include withdrawal of key sections for limited periods and selective half-day stoppages.

During earlier negotiations, the company had made a radical proposal which Tass claimed would allow plant managers to choose who would get a pay rise this year.

The union says this was dropped this week, as a precondition for pay talks, but emphasised that the pay offer was completely unacceptable.

It plans to impose sanctions at work next week and is seeking a co-ordinated approach on pay with the two other white collar unions represented at Lucas - ASTMS and APEX.

Mr Chris Darke, a Tass national officer, said yesterday: "The union's members have decisively endorsed their negotiating committee's recommendation to reject the company's offer, which Lucas said was as far as it was prepared to go."

No-one at the company was available for comment last night.

BBC TV technicians' dispute settled

BY OUR LABOUR STAFF

A FORMULA aimed to settle the long dispute between the BBC and more than 50 vision-mixing technicians has been agreed.

The BBC and the Broadcasting and Entertainment Trade Alliance agreed during lengthy talks at the Advisory, Conciliation and Arbitration Service.

The Corporation has agreed to conduct a full review of the "vision-mixers" job and their department's overall structure.

A report will go to the alliance by the beginning of next year. There will be no further industrial action meanwhile by the technicians.

A re-emergence of the dispute, which is mainly about a grading claim, had threatened to disrupt television coverage of the Commonwealth Games.

The dispute last flared in March when vision-mixers staged a 24-hour stoppage. They are responsible for split-

screen effects, captions and other superimposed TV images.

After the March stoppage, both sides agreed to binding arbitration by Acas, which rejected the technicians' claim for higher grades.

Since then, though, vision-mixers have refused to carry out certain duties. There are 32 vision-mixers based in London and more than 20 in the regions.

Sham 'Post' plan denied

BY OUR LABOUR STAFF

THE PRINT unions never had any intention of agreeing to their members working at News International's plant at Wapping, east London, it was claimed in the High Court yesterday.

Mr Anthony Grabiner, QC, for six companies in the News International group and an advertising manager on The Times, said: "The unions never seriously intended to make a deal with Mr Rupert Murdoch."

He was making submissions on the 13th day of the hearing of the companies' claim for injunctions banning the unions from organising anything except a lawful picket of six at the Wapping plant.

Sogat '83, the National

Graphical Association and six union officials are fighting the move, claiming that they have condemned and not encouraged picket line violence at the plant.

Mr Grabiner's comments came in response to the unions' contention that the News International companies should not be granted injunctions because they had not come to court with "clean hands."

He disputed allegations that News International witnesses had misled the court and "duped" the unions by a "sham" plan to print a new London evening paper, the Post, at Wapping while in reality planning to transfer the companies' entire London printing operations there.

Miners' pay ruling reserved

BY HELEN HAGUE, LABOUR STAFF

THE EMPLOYMENT Appeal Tribunal yesterday reserved judgment on a bid by the National Coal Board to overturn a ruling that it acted unlawfully by withholding a pay rise from the National Union of Mineworkers at a Leicestershire colliery.

The tribunal, presided over by Mr Justice Popplewell, will give

judgment on Thursday.

The board is appealing against an industrial tribunal ruling in May that it broke the 1978 Employment Protection Act by refusing NUM miners a £5.50 a week pay rise already being paid to members of the Moderate Union of Democratic Mineworkers.



XIII COMMONWEALTH GAMES SCOTLAND 1986

Be a Sport-Help the Games.

The Commonwealth Games got off to a brilliant start on Thursday in Edinburgh. They have been helped by the support of British newspapers and industry.

But money is still required. And you can help.

Personal and business donations can be sent to our FREEPOST address or handed over the counter at any branch of the NatWest or the Royal Bank of Scotland.

You are also invited to

join in a contest to win £100,000 plus a range of other exciting prizes including: a Jaguar Sovereign 4.2; champagne flight on Concorde from British Airways; a holiday for two in Antigua from Kuoni; a stylish presentation case containing a 22 carat gold medal of the Games, a sterling silver medallion celebrating the Royal Wedding plus a unique record in book form featuring both events.

Just answer the TWO

questions and send your coupon to: Commonwealth Games Contest, FREEPOST, London E1 8BR. Or write your answers on a piece of paper with your name and address. No stamp is needed.

What we would like from YOU is a donation which would contribute to the huge cost of organising and staging the Games.

We'd like at least £1 and more if you can. The donation is voluntary and will be a gift from you to the Games.

EVERY entrant has an equal chance. All you have to do is to answer these two questions about the Games:

- 1 In which stadium are the Games being held? a. Wembley; b. Meadowbank; c. Old Trafford.
2 Cram is one of Britain's world record holders. What is his first name? a. Robert; b. David; c. Steve.

The winners will be the first correct entries drawn at a special ceremony on TV in Edinburgh on the LAST day of the Games, August 2.

If you don't want to post your entry, you can hand it in at any branch of NatWest or the Royal Bank of Scotland, along with your donation.

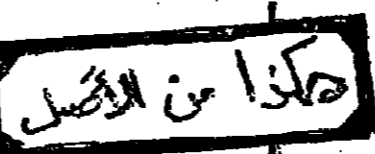
To be included in the draw, please remember - we MUST receive your entry at either of the banks by Monday July 28, or your postal entry by first post Friday August 1.

Please, please give generously. Please don't send cash by post - only cheques and postal orders, made payable to: Commonwealth Games 1986 Appeal.

Be a winner

Question 1
Question 2
Name
Address
Postcode
Tel No

Commonwealth Games, Canning House, 19 Canning Street, Edinburgh EH3 5TH



FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantimo, London PS4, Telex: 8954871
Telephone: 01-248 8000

Saturday July 26 1986

Bad times for market gurus

THE MIDSUMMER blues which are spreading from Wall Street to most financial markets are partly a response to reality, but partly a loss of self-confidence. Official and unofficial growth forecasts are being revised downwards, and profits forecasts are being trimmed rather more sharply; but this does little more than bring the forecasts into line with the realities which businessmen (and readers of these columns) should have anticipated all along. The experience of flat output and desperately competitive product markets has never looked remotely like the boom the markets seem to have imagined.

For the gurus who lead market opinion, however, the disappointment has been sharp, and the reaction tends therefore to be exaggerated. The same analysts who were preaching the joys of disinflation not much more than a month ago now talk grimly of the perils of deflation; the innocent might find it hard to realise that these are two aspects of the same process.

The delusion which market gurus find it almost impossible to resist is that what is good for the financial markets is also good for the real economy. The end of inflation is indeed good for financial asset values, as they have always argued; bonds promise a real income; and restrictive government policies which have inhibited real growth can be relaxed. However, the squeeze which so drastically reduced inflation had an impact on the real world too. This seems to have escaped the gurus, who mistake the relief of slow convalescence for bounding good health, and dressed up their over-optimism in a lot of rather fanciful theories.

Regional decline
The truth about the real world is not particularly encouraging, but it certainly need not prove disastrous. There is a growth recession, which can be contained, given sensible policy responses. It reflects mainly a sharp fall in investment demand. This is partly the result of deliberate policies, since administrators always find investment the easiest target when government calls for economy, partly because of technical and political problems in the capital-intensive energy field, and partly because the world-wide shift to the service economy has reduced the demand for physical commodities and the ships and vehicles which take them to market.

This shift in the balance of demand is also one of the structural problems which are setting tougher problems for policymakers. High unemployment seems to be endemic in most of the developed world, and is

expected to get worse, according to the industrialists surveyed by this newspaper this week. The problems of regional decline are also obstinate, and those of the commodity-producing countries of the third world the most pressing and insoluble of all.

Free markets in goods and capital, which perform magnificently in responding to growing demand, and in encouraging innovation, are much less good at addressing social and structural problems. There is now a growing interest, most remarkably in President Reagan's America, in a more interventionist approach to economic management.

Thus while Mr Volcker calls with increasing urgency for international co-operation on growth policy, lest the US should be pushed into depression in its efforts to get out of debt, Mr James Baker has put together a refinancing plan for Mexico of which Lord Keynes might have approved enthusiastically. It aims, in short, to use official finance to offset shocks from the market—poor commodity prices or disappointing growth—rather than to re-inject market funds, as commercial capital flows tend to do.

Governments can also try to set their own structural houses in order, as President Sarney of Brazil showed dramatically this week. He intends to intervene massively to divert income from rich consumers to the poor.

Market reaction
In the longer run Japan, which has always given the Government a strong role in steering economic development, plans to embark on another of those transformations which have made it the home of economic miracles. In the short run, Mr Nakasone or any likely successor will intervene, probably rather modestly, to push growth up from its recently forecast level of 11.2 per cent; but at the same time there is a slower-moving plan to change the whole emphasis of the economy from targeted exports to home consumption.

This new activism among governments, and the loss of self-confidence in the financial markets, will probably be seen as a helpful restoration of balance in the not too distant future. The young men who write brokers' circulars have not, after all, done a notably good job in running the world economy, and pragmatism is not a four-letter word. And for the time being the new pessimism will at least free governments from any fear of adverse market reaction if they do decide that the world economy needs a stimulus. Those worried about the world economy should watch the governments rather than the markets.

GRADUATE RECRUITMENT

The great education mismatch

WHERE HAVE all the graduates gone? is a question that many employers in Britain are asking this summer. The universities, polytechnics and other higher educational institutions have awarded bachelor's degrees to more than 100,000 young people. But some organisations are finding it hard to sign up the graduate recruits they want.

The shortages, arising after a period when demand for graduates was depressed, have brought a gleam to the eye of some academic pressure groups. They have redoubled their calls for the Government to stop restraining the higher education service and embark on further expansion.

It is not only the shortfall of degree-winners that causes problems for recruiters. While some employers are likely to end the year with empty desks in their offices, it is even more probable that at the same time over 10,000 new graduates in Britain will not have got a job of more than short-term duration.

The main reason for the imbalance between supply and demand is that some people who have lost track of some degree-winners. Of the typical 1,000 in 1985, 134 had disappeared against 106 of the 858 half a

decade previously. Compared with 1980, the number of graduates going abroad in 1985, including foreign students returning home, was rather lower. The entry to teacher-training fell more sharply.

The numbers of those unemployed, not available to take a job or in work expected to last no more than about three months, increased. The 138 people in this "at best short-term UK job" category in 1985 consisted of 46 arts graduates, 45 with social studies degrees, 34 pure scientists and 13 applied scientists.

As a result, fewer than half the totals in each year were known to have taken "permanent" jobs in the UK. The share doing so last year was 46.3 per cent, about five percentage points up on the corresponding share in 1980.

All types of work had increased inakes. The biggest rise was in financial work which last year had 84 entrants, more than half of them joining chartered accountancy firms. Of the 84, five had taken applied science, a dozen arts, 19 theoretical science and 48 social studies which include accountancy courses as well as economics and management.

The second biggest rise was in research, design and development whose 81 entrants in 1985 included 55 engineers and technologists and two dozen science graduates. The category with the third biggest increase was management services, such as computer work and technical support jobs, whose 56 entrants included 39 pure scientists and nine from applied science courses.

Both of the last two categories are therefore heavy absorbers of numerate graduates with an understanding of advanced technology.

The trouble is that a lot of youngsters are squandering their talents by dropping numerate subjects at school," says Mr Brian Steptoe, director of the London University careers service. "Our education system encourages too many pupils to specialise in either arts or sciences too young."

Another reason for the excess demand for numerate graduates is increased competition from the City, where some firms are offering perks as well as salaries well above the norm as they



High spirits in Oxford

prepare for October's Big Bang. Even so, the several thousand degree-winners without regular work at the end of the year will almost certainly include many scientists, both pure and applied. The reason is that technical and academic knowledge is no longer enough to get a job.

Mr Jeffrey Stretch, responsible for recruitment at K Shoes based in Kent, says he is typical in demanding evidence of teamwork ability and the drive to get things done. "We insist on those personal qualities and we haven't yet secured the people we want for production posts, though I've seen several candidates technically up to scratch. We've also preferred to leave ourselves too short of the 13 we wanted for the retail side."

He shares the belief of other personnel chiefs that with plenty of jobs on offer this year, many graduates have decided to take a holiday before signing themselves up.

At London University—Britain's biggest producer of graduates—Mr Steptoe says that of the 250 employers initially planning to recruit on the

campus, 35 withdrew because few students applied to see them. "Interest has picked up a bit since. Nearly 7,000 graduates came to our three-day recruitment fair this month. But even then the interest seemed stronger on the employers' side."

"I suspect some of the shortages are partly the employers' own fault. They are often too rigid in the criteria they apply when scanning applications forms and in interviews. They over-react to the odd spelling mistake, for instance."

Hewlett-Packard is one of the companies which have had no trouble in filling their recruitment quotas. But Mr Peter Ward, the UK personnel director, denies that its selection criteria are less stringent than the norm. "We're not on personal attributes as well as intellectual strength, and we don't want people who're any more afraid of computers than they would be of pencil boxes."

"I'd say the reason we've been successful is that we've just actively marketed ourselves not to students but to staff. And we do it all the year round."

Mr Angus Clark, personnel director of Sainsbury's, which has also signed all the graduates it wants, agrees that marketing all year round is a key factor. "We've no shortages. The only ones that worry us are not in the industry at all. They're in the intake to teacher-training. Too few good people taking up schoolteaching now can only damage employers' prospects of getting good recruits later on."

The same concern is shared by many other company chiefs, including some with quotas still not filled. But although employers may have some role in helping to improve teacher-training, solving the problem depends on Mr Kenneth Baker, the Education Secretary.

To ensure success he will need not only to wald central Government and local authorities together in a co-ordinated teacher-recruitment effort, but to change school staff's job conditions so higher pay can be offered to desperately needed specialists in science, technology, crafts and design.

Michael Dixon
Education Correspondent

HOW THEY FARED

	1985	1980	Increase (+) or decrease (-) from 1980 to 1985
Arts subjects	313	269	+44
Social studies	252	199	+53
Science	172	153	+19
Applied science	1,000	858	+142
Total	1,344	1,066	+278
Untraceable	846	752	+94
Whereabouts known	60	69	-9
Returned or went overseas	42	67	-25
Teacher-training	143	147	-4
Other education/training	138	116	+22
At best short-term UK job	403	399	+4

Last year UK universities and polytechnics produced 85,833 new graduates in subjects other than medicine—1,000 for every 853 produced five years before. The table shows the whereabouts of typical cross-sections of the 1985 and 1980 degree-winners six months after they graduated.

"GRADUATES?", says Mr Tony Lewis, the 58-year-old veteran of three decades on the London Stock Exchange floor who last year earned at least £200,000 as chairman of Smith New Court, the stockbroker.

"Graduates? Once upon a time there would have been no room for them in a trading operation like ours."

Mr Lewis, who was brought up in Golders Green, North London, started at 18 the jobber's classic apprenticeship as office boy, then messenger and book-keeper.

Among the jobbing fraternity—the people at the sharpest end of the capital markets—a university education was until recently seen at best as an irrelevance to the serious work of deal-making, and at worst a positive handicap.

Mr Lewis, in fact, cannot name a single graduate among Smith New Court's 90 or 90 London traders—though he hastens to add, that does not mean that there are none.

His newer rivals in the changing City—and especially the US and Japanese securities houses—take a different stance. Statistics are hard to come by, but there are signs of a sharp rise in graduate intake this year by the financial institutions which join the 25-year-old recruitment "milk round" through British universities.

Careers officers at Cambridge, for instance, estimate that up to 1985 they were notified each year of about 500 banking and financial vacancies for graduates.

THE CITY PREPARES TO LOOK FURTHER AFIELD

First, the merchant banks have edged up recruitment in line with a long-term increase in staff overseas, in booming corporate finance work or their growing securities arms.

Second, the expanding London branches of US and Japanese securities houses, swelling young graduate trainees as an answer to the shortage of expert staff that has driven up City salaries as their London operations expand.

And, third, take-overs of Stock Exchange firms by British and American banks have brought brokers and jobbers' recruitment firmly into the milk round—with Kleinwort Benson, for instance, recruiting 23 graduates this year.

Perhaps inevitably, price com-

petition for the brightest recruits has sharpened—and skewed the informal graduates' salary cartel operated by the member merchant banks of the Accepting Houses Committee. Until this year, a sub-committee of personnel managers used to agree a benchmark.

This year, the figure was set at £10,000 per annum. But in February, the agreement began to fall apart as Kleinwort Benson—whose personnel director had chaired the sub-committee—broke free. An S.G. Warburg interviewer at Durham University discovered that Kleinwort was offering an extra £2,000 summer travel bursary bonus to undergraduates who signed up early.

UK merchant banks were

already slipping behind US international banks—which this year are offering graduates about £12,000—and the American investment banks which are paying £14,000-£15,000.

"The market had moved, and we felt we had not moved as far," says Mr George Allford, Kleinwort's assistant personnel director.

There was a still more disturbing problem for Kleinwort. In spite of receiving 1000 job applications from undergraduates this year, Mr Allford found many were unenthusiastic.

In future, City recruiters will cast even further afield to get the best talent—beyond Oxbridge, which has dominated recruitment simply because its well-briefed students make the most applications.

Nick Bunker

THIS WEEK'S meeting between King Hassan of Morocco and the Israeli Prime Minister, Mr Shimon Peres, is less surprising than it seems at first sight.

The protection traditionally afforded to the Jewish subjects of Moroccan sultans runs deeply in Moroccan history and Hassan has on more than one occasion reminded his Arab peers that no law forbids a man to talk to his enemies.

Unlike President Anwar Sadat's visit to Jerusalem 10 years ago, which was born of desperation, King Hassan's move is a calculated gamble. The king enjoys uniquely good relations with most of the actors in the Middle East and holds the further advantage of maximum distance from centre of stage in the Arab-Israeli conflict.

King Hassan has been on the throne of one of the world's oldest monarchies for a quarter of a century and has one of the coolest heads in the Middle East. "Tell them the Sultan is dead," he ordered his pilot to shout over the radio to rebel officers at Rabat control tower after the aircraft in which he was travelling back to his capital from France was attacked by dissident Moroccan pilots, in August 1972.

As the King stepped off the plane, the rebels started firing again but missed him. When he reached the airport lounge, they fell to their knees to kiss the hem of their monarch's robe and to beg forgiveness.

Coming 12 months after his narrow escape from another attempted coup, which killed many of the guests assembled to celebrate his birthday at the seaside palace of Skhirat, between Rabat and Casablanca, the events of 1973 made the monarch's "baraka" (good luck) legendary.

Hassan is, after all, scion of the more than 300 year old Alaoui dynasty which holds the Taifalat which lies on the edge of the Sahara and a region from which most of the great dynasties which have ruled Morocco have sprung. He is a descendant of the prophet, he is Amir al-Mu'minin (Commander of the Faithful) and

Man in the News

King Hassan of Morocco

Sun king with a diplomat's touch

By Francis Ghilès



Khallifat Allah FII ard (Allah's deputy on earth).

The Moroccan monarchy goes back over 1,000 years and all Hassan's 24m or 25m subjects are deeply proud of their country's history. Fez remains one of the glories of the Islamic world, its palaces built by the same architects who built the Alhambra in Granada and the Giralda in Seville.

While waiting for Mr Peres in his palace at Marrakech, a small skiing resort of Swiss style chalets high up among the cedar forests in the Middle Atlas mountains due south of Fez, the King was no doubt reducing his golf handicap.

He has been a keen collector of the Western Sahara since his occupation of the territory in 1975 as General Franco died.

all his life and, years ago, was coached by a US pro, Claude Harmon, Jr, who went on to write a book entitled "The King and I," in which he marvelled at his pupil's mastery of English sporting vocabulary.

The monarch also speaks excellent French, but knows how to speak a clear and vigorous Arabic to his fellow Moroccan; without the western gloss which has infected the mother tongue of some Arab leaders.

He has always enjoyed sailing close to the wind and remains a born gambler; his decision to occupy the Spanish colony of the Western Sahara in November 1975 as General Franco was dying in Madrid, was perhaps his boldest move.

The occupation of the Western Sahara, launched by the famous "Green March," when hundreds of thousands of Moroccans waving the green flag of the prophet marched to the borders of southern Morocco, was made in defiance of the International Court of Justice and the United Nations. Ten years later, with the territory under firm Moroccan military control, the King could not give a fig that nearly 60 countries in the world have recognised the Saharan Arab Democratic Republic set up by the Polisario Liberation Front which has been fighting the

Moroccan army.

In England, King Hassan is remembered as the only man who ever kept Queen Elizabeth waiting—during her state visit in the autumn of 1980.

Appointments with the King start after the monarch has woken up, usually towards the middle of the day, irrespective of the time they may have been pencilled in for. Some senior foreign bankers and politicians have left Morocco without even seeing him.

Such behaviour strikes many western visitors as rude but then "l'exactitude est la politesse des rois" was a rule invented at the court of the Sun King in Versailles, not one which ever prevailed at the court in Fez or Marrakech.

King Hassan has other reasons for receiving Mr Peres. His highly opportunistic alliance with Colonel Gaddafi in August 1984 remains an acute embarrassment to a monarch whose relations with Washington have traditionally been close.

Aid and weapons from the US are vital, particularly at a time when the armaments used to contain Polisario attacks in the Western Sahara need renewing. Support from the US is also needed in renegotiating the Kingdom's foreign debt of \$14bn which amounts to 112 per cent of GDP.

Nor can Mr Peres visit do any harm to the king's relations with EEC countries.

As so often with King Hassan, perfect timing is of the essence while broader interest and more pressing needs are intertwined inextricably. In the wake of the breakdown in negotiations between Jordan and the PLO and in view of the total stalemate of the so-called Middle East "peace process," violating the taboo of open contact between Israeli and Arab leaders may yield some future dividends.

What is sure is that the Commander of the Faithful can look an Israeli Prime Minister in the eye with less fear of being accused of betraying Islam and the Arabs than virtually any other head of state in the Arab world.

FAMOUS GROUSE
FINEST SCOTCH WHISKY
THE HOUSE OF BUCHANAN'S HOUSE OF BUCHANAN'S HOUSE OF BUCHANAN'S
Perth, the Glenlivet of Scotland
PRODUCT OF SCOTLAND

Quality in an age of change.

كلنا من الخليل

UK COMPANY NEWS

Lloyds profits point to solid gains for big four

BY DAVID LASCELLES, BANKING CORRESPONDENT

LLOYDS Bank, the smallest of the big four clearing banks, yesterday reported a 27 per cent rise in pre-tax profits to £358m...

Operating income from non-banking activities increased by 15 per cent to £358m, which was faster than a 6 per cent rise to £303m in net interest income...

Overall the banks' costs rose more slowly. Provisions for bad and doubtful debts were down on overseas operations, from £77m to £53m...



Sir Jeremy Morse, the chairman

holders' funds on that date were £2.5bn, up 18 per cent on a year earlier.

See Lex

Expansion of packaging business by NMC

By Clare Pearson

NMC Investments, which took on a new lease of life when Charles and Maurice Saatchi acquired minority stakes last March...

Berry Trust hits out at £86m bid from Ensign

BY TERRY GARRETT

THE DIRECTORS of Berry Trust moved quickly yesterday to leave shareholders in no doubt as to what they thought of Ensign Trust's early morning £86m bid.

Ensign already has a 9.15 per cent holding in Berry and together with the shares held by two Merchant Navy funds...

Mr Boyd was insisting that the offer presented Berry shareholders with some unattractive alternatives...

Rexmore rises 18% to £0.6m

Rexmore, helped by an 18 per cent increase in turnover from retained companies and the elimination of loss-making activities...

Total turnover for this Liverpool-based fabrics supplier rose from £29.96m to £31.02m to give taxable profits of £504,000 (£513,000).

During the year the company sold its loss-making subsidiary, R. Cawley (Manchester) and its stakes in Dermide and Berisfords.

Turnover for the first quarter of the present year was ahead of last year and an improvement in earnings per share was expected.

In the year under review operating profits came out ahead at £1.29m (£899,000) but the share of related companies was down at £81,900 (£237,000) with a reduced contribution from Berisfords.

May & Hassell £1.8m in red

May & Hassell, the Bristol-based timber importer, yesterday reported a loss before tax of £1.8m for the year to end-March 1986 compared with an £81,000 profit the year before.

The company said that to stem losses and restore profitability it recognised the need to further strengthen the board. Some changes have already taken place and further appointments, including a new chairman, are planned.

A recommendation to cut the final dividend from 2.15p to a nominal 0.1p was also made. The interim dividend was

passed (1.6p). May & Hassell said that trading over the 1985-86 year was affected by several factors. Falling timber prices throughout 1985 resulted in very competitive trading conditions and a write-down in stocks was thought prudent at the year-end.

In addition, the poor weather severely curtailed building activity, and high interest rates—compounded £4.19m (£2.86m).

Besides the problems above the line, the company took account of £1.8m (£84,000) of extraordinary debts, which left an attributable loss of £3.8m.

The directors said that they had reviewed the value of group properties and deemed it appropriate to write down the value of three sites. Also, heavy rationalisation and run-down of the business was incurred in the north west during the year and provision had been made in respect of the anticipated costs of further rationalisation.

They added that the group's borrowing facilities had been successfully renegotiated. Borrowings are now secured on group assets.

Meggitt bid battle heats up

Meggitt Holdings, the specialist engineering group, yesterday said there was "irrefutable logic" to its £38m contested bid for Bestobell, the electronic and mechanical components supplier.

In the formal offer document, Meggitt said the two companies had complementary products in aerospace and defence, high integrity electronic components and energy engineering. "It is

an exceptional fit," said Mr Nigel McCormick, Meggitt's finance director.

Bestobell hit back saying that its recovery programme would be sabotaged if Meggitt succeeded. In the early 1980s, Bestobell ran into major problems on insulation contracts at two power station construction projects in Australia, forcing management to restructure the group.

ICI executive who joined Bestobell as chairman last September, said: "Meggitt want to get into areas we are getting out of. If they succeed it will set back Bestobell."

Meggitt, which has secured the backing of a 29 per cent stake in Bestobell held by BTR, the industrial conglomerate, said it was confident its own management could redress Bestobell's "appalling" performance since 1981.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Friday July 25 1986, and Highs and Lows Index. Includes sub-sections like CAPITAL GOODS, BUILDING MATERIALS, CONTRACTS, etc.

Table with columns for FIXED INTEREST, PRICE INDICES, and AVERAGE GROSS REDEMPTION YIELDS. Includes sub-sections like British Government, 5 years, 10 years, etc.

Table with columns for Equity section of 20 and Base rate. Lists various equity sectors like Telephone Networks, Electronics, etc.

Hawley raises stake in Brengreen

Hawley Group continued yesterday to make clear its intention to play a part in the agreed £31m bid by BET for cleaning group Brengreen Holdings by further acquisition of Brengreen shares.

Times Veneer stake acquired

A group of investors led by Mr David Landau, a solicitor, and Mr Robert Newman, an accountant, have acquired 29.9 per cent of "The Times" Veneer, a timber company long the subject of bid speculation, from Pebble Investments.

AGB Research warns of 15% fall in profits

AGB Research, market research company, announced that next month's preliminary results, for the year to end-April, would show pre-tax profits 15 per cent down on last year's £5.2m, it blamed problems in Australia and in two other subsidiaries.

Attwoods in £4m acquisition

Attwoods, a waste disposal and aggregates company in which Hawley Group has a controlling stake, is paying £4.2m for J. R. Roper, a Sheffield-based hard fill and waste service company.

C and W sees record year

Cable and Wireless bid shareholders at yesterday's annual meeting that the Mercury Communications subsidiary was moving ahead at a satisfactory rate. Customers were being added to the Mercury network daily, said Sir Eric Sharp, chairman of C and W.

PHIT buys site

Property Holding and Investment Trust (PHIT), currently the subject of an unwell takeover bid from Grey Group, the property development company, yesterday announced the £5.5m purchase of a freehold development site Myton Farm, near Leamington Warwickshire.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Date, Current payment, Correlation, Total year, Total last year.

Radiant Metal

A return-to-trading profit achieved by Radiant Metal in February 1986, and the tax relief allowed an improvement from £21,000 to £231,000. From earnings per 12.5p share, the dividend is held at 2.5p net, with unchanged final of 1.5p.

G.B.C. Capital Ltd advertisement with logo and contact information.

LADBROKE INDEX advertisement with numerical data.

Handwritten note: كلانا من الاجل

NEW YORK

Table of New York stock market data including various stock prices and indices.

STOCK

Table of stock market data for various companies and sectors.

STOCK

Table of stock market data for various companies and sectors.

STOCK

Table of stock market data for various companies and sectors.

STOCK

Table of stock market data for various companies and sectors.

WALL STREET

Sharp rise on economic forecast. Stocks surged ahead on Wall Street yesterday, following upbeat economic comments by the Reagan Administration which gave fuel to the week's rally.

STOCKS SURGED

Stocks surged ahead on Wall Street yesterday, following upbeat economic comments by the Reagan Administration which gave fuel to the week's rally.

STOCKS SURGED

Stocks surged ahead on Wall Street yesterday, following upbeat economic comments by the Reagan Administration which gave fuel to the week's rally.

STOCKS SURGED

Stocks surged ahead on Wall Street yesterday, following upbeat economic comments by the Reagan Administration which gave fuel to the week's rally.

STOCKS SURGED

Stocks surged ahead on Wall Street yesterday, following upbeat economic comments by the Reagan Administration which gave fuel to the week's rally.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

NEW YORK INDICES

Table of New York stock market indices including DJIA, NYSE, and NASDAQ.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

CANADA

Table of Canadian stock market data.

INTERNATIONAL COMMODITIES AND AGRICULTURE

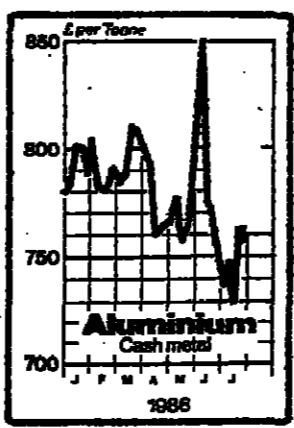
LONDON STOCK EXCHANGE

REVIEW OF THE WEEK

US labour troubles buoy up aluminium

BY RICHARD MOONEY

SIGNS THAT US labour disruptions are escalating again ensured that aluminium remained the strongest feature on generally firmer London Metal Exchange markets this week. Strikes are continuing at some Alcoa and Reynolds Metals installations...



US MARKETS

SUGAR FOUND renewed support following technical buying activity. The 20-day moving average turned up in mid-week. A report from the US Sugar Association...

NEW YORK

Table of commodity prices in New York including Aluminium, Cocoa, Coffee, and Soybean Meal. Columns include item name, price, and change.

ORANGE JUICE 15,000 lb. cents/lb

Table of Orange Juice prices with columns for date, price, and change.

PLATINUM 80 troy oz. \$/troy oz.

Table of Platinum prices with columns for date, price, and change.

SILVER 5,000 troy oz. \$/troy oz.

Table of Silver prices with columns for date, price, and change.

SUGAR WORLD 11 1/2 112,000 lbs.

Table of World Sugar prices with columns for date, price, and change.

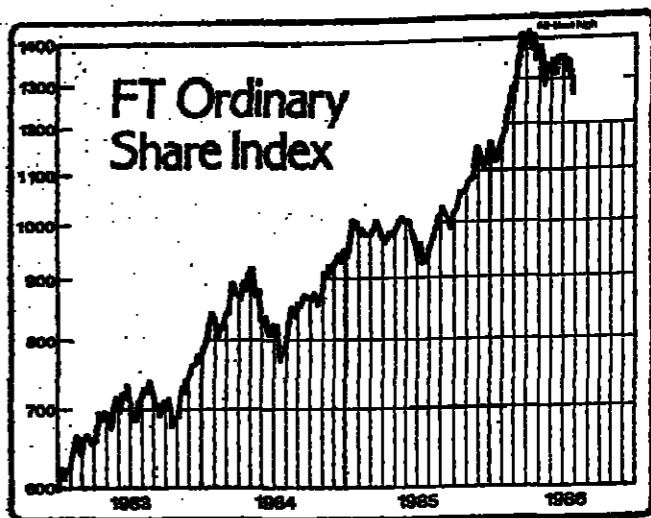
CHICAGO

Table of Chicago commodity prices including Live Cattle and Live Hogs.

Equities steadier but index down 31.7 on week

Account Dealing Dates

First Last Account Dealing Dates July 23 July 24 July 25 Aug 1 Aug 2 Aug 3 Aug 4 Aug 5 Aug 6 Aug 7 Aug 8 Aug 9 Aug 10 Aug 11 Aug 12 Aug 13 Aug 14 Aug 15 Aug 16 Aug 17 Aug 18 Aug 19 Aug 20 Aug 21 Aug 22 Aug 23 Aug 24 Aug 25 Aug 26 Aug 27 Aug 28 Aug 29 Aug 30 Aug 31



Equity markets edged the last session of the trading account on an extremely subdued market. Investment confidence remained at a low ebb after a week in which equities had been adjusted sharply downwards in the wake of political uncertainties and growing fears about the signs of flagging growth in the world's economies.

setting a net 8 off at 104p in reaction to the annual profits setback. Sellers also held sway to the unexpected offer from Hills and Goldstein, 6 off at 82p, and Blacks Leisure, another penny cheaper at 74p.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Metals, Grains, and Spices.

INDICES

Table showing various market indices such as Reuters, Dow Jones, and Coffee.

COFFEE

Table of Coffee prices with columns for date, price, and change.

MEAT

Table of Meat prices including Mince, Beef, and Lamb.

SOYBEAN MEAL

Table of Soybean Meal prices with columns for date, price, and change.

Lloyds drift lower

Lloyds got the clearing bank interest dividend season off to a quiet start this week. A yearling first-half profits of 533m, a shade higher than the Board's forecast of 533m made at the time of its unsuccessful bid for Standard Chartered...

ALUMINIUM

Table of Aluminium prices and specifications.

ZINC

Table of Zinc prices and specifications.

COPPER

Table of Copper prices and specifications.

GOLD

Table of Gold prices and specifications.

LEAD

Table of Lead prices and specifications.

NICKEL

Table of Nickel prices and specifications.

AGB Research fall

AGB Research provided an upbeat outlook for 1986, forecasting a 10% rise in global industrial production. However, the firm's profit warning following the halved interim dividend...

SOYBEAN MEAL

Table of Soybean Meal prices.

POTATOES

Table of Potato prices.

SUGAR

Table of Sugar prices.

MEAT

Table of Meat prices.

BRITISH SHARPLY LOWER

The widespread retreat by the oil sector which started late on Thursday, followed by a further decline in the FTSE 100...

COCAOA

Table of Cocoa prices.

CRUDE OIL

Table of Crude Oil prices.

POTATOES

Table of Potato prices.

SUGAR

Table of Sugar prices.

MEAT

Table of Meat prices.

TRADITIONAL OPTIONS

Table of Traditional Options prices.

PREEDY DOLL

Stores finished a depressing account on a dull note. Once again, dealers marked quotations lower in an attempt to find a trading level and although prices rallied slightly after-hours, losses remained in the majority of cases.

CATHODES

Table of Cathodes prices.

FREIGHT FUTURES

Table of Freight Futures prices.

PREEDY DOLL

Stores finished a depressing account on a dull note. Once again, dealers marked quotations lower in an attempt to find a trading level and although prices rallied slightly after-hours, losses remained in the majority of cases.

CATHODES

Table of Cathodes prices.

FREIGHT FUTURES

Table of Freight Futures prices.

FT UNIT TRUST INFORMATION SERVICE

COMMODITIES

Table with columns: Issue No., Name, Last Price, Change, etc. Includes various commodity contracts like gold, silver, and oil.

FIXED INTEREST STOCKS

Table with columns: Issue No., Name, Last Price, Change, etc. Lists various fixed interest securities.

"RIGHTS" OFFERS

Table with columns: Issue No., Name, Last Price, Change, etc. Lists rights offers for various companies.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Nov., Feb., etc. Lists European options exchange data.

BANK RETURN BANKING DEPARTMENT

Table with columns: Liabilities, Assets, etc. Shows banking department returns.

ISSUE DEPARTMENT

Table with columns: Liabilities, Assets, etc. Shows issue department returns.

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts with columns for Name, Last Price, Change, etc. Includes categories like Equity, Fixed Interest, and Money Market.

Handwritten text at the bottom of the page, possibly a signature or note.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including columns for company names, fund names, and numerical values.

INSURANCES

Table listing insurance companies and their respective products, such as AA Friendly Society, Abbey Life Assurance Co Ltd, and others.

Equity & Law

Table listing equity and law related financial products and funds, including Equity & Law American Road, High Wycombe, and others.

London & Manchester Group

Table listing London & Manchester Group financial products, including London & Manchester Group, London & Manchester Group, and others.

Providence Capital Life Ass. Co Ltd

Table listing Providence Capital Life Ass. Co Ltd financial products, including Providence Capital Life Ass. Co Ltd, Providence Capital Life Ass. Co Ltd, and others.

Scottish Widows Group

Table listing Scottish Widows Group financial products, including Scottish Widows Group, Scottish Widows Group, and others.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and overseas funds, including company names, fund names, and numerical values.

Table of financial data for various money funds, including company names, fund names, and numerical values.

Table of financial data for various money funds, including company names, fund names, and numerical values.

Table of financial data for various money funds, including company names, fund names, and numerical values.

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

TRADITIONAL OPTIONS

3-month call rates

Handwritten text at the bottom center of the page.

BRITISH FUNDS table with columns for Stock, Price, and Yield. Includes sections for 'Shorts (lives up to five years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont. table listing various American stocks and their prices. Includes sections for 'CANADIANS', 'BANKS, HP & LEASING', 'CORPORATION LOANS', 'COMMONWEALTH & AFRICAN LOANS', and 'BEERS, WINES & SPIRITS'.

LONDON SHARE SERVICE

Main LONDON SHARE SERVICE table with columns for Stock, Price, and Yield. Includes sections for 'BUILDING, TIMBER, ROADS - Cont.', 'DRAPERY & STORES - Cont.', 'ELECTRICALS', 'CHEMICALS, PLASTICS', 'DRAPERY AND STORES', and 'HOTELS AND CATERERS'.

ENGINEERING - Continued table listing engineering-related stocks and their prices.

INDUSTRIALS - Continued table listing industrial stocks and their prices.

Vertical text on the right edge of the page, possibly a page number or reference code.

Handwritten Arabic text at the bottom center of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and other financial metrics.

INSURANCES

Table of insurance companies such as Aviva, Prudential, and others, listing their stock prices and performance.

LEISURE

Table of leisure-related stocks including hotels, travel agencies, and entertainment companies.

LEISURE—Continued

Continuation of leisure stocks from the previous section, listing various companies and their market data.

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Table of motor and cycle companies like Honda, Yamaha, and others.

Commercial Vehicles

Table of commercial vehicle manufacturers such as Ford, Mercedes-Benz, and others.

Components

Table of automotive component suppliers like Bosch, Delphi, and others.

Garages and Distributors

Table of automotive service and distribution companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies like News Corp, Time Warner, etc.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies.

PROPERTY

Table of real estate and property-related companies.

PROPERTY—Continued

Continuation of property stocks, listing various real estate firms and their market data.

PROPERTY—Continued

Continuation of property stocks from the previous section.

SHIPPING

Ships and Shipping Lines

Table of shipping companies like Cunard, P&O, etc.

SHOES AND LEATHER

Table of shoe and leather goods companies.

SOUTH AFRICANS

Table of South African stocks.

TEXTILES

Table of textile companies.

TOBACCO

Table of tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related companies.

INVESTMENT TRUSTS—Cont.

Continuation of investment trusts, listing various funds and their performance.

INVESTMENT TRUSTS—Cont.

Continuation of investment trusts from the previous section.

FINANCE, LAND—Cont.

FINANCE

Table of finance companies like banks and insurance firms.

LAND

Table of land-related companies.

OIL AND GAS

Table of oil and gas companies.

OVERSEAS TRADERS

Table of overseas trading companies.

PLANTATIONS

Table of plantation companies.

MINES

Table of mining companies.

MINES—Continued

Continuation of mining stocks, listing various mineral extraction firms.

MINES—Continued

Continuation of mining stocks from the previous section.

Central African

Table of Central African stocks.

FINANCE

Table of finance companies.

Australians

Table of Australian stocks.

Miscellaneous

Table of miscellaneous stocks.

NOTES

Notes section providing additional information and commentary on the market.

PLANTATIONS

Table of plantation companies.

OVERSEAS TRADERS

Table of overseas trading companies.

MINES

Table of mining companies.

MINES—Continued

Continuation of mining stocks from the previous section.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

Recent Issues and Rights Page 15

Recent Issues and Rights Page 15 section providing details on new issues and rights offerings.

MARKETS

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change, 1986 High, 1986 Low, and notes. Includes FT Ordinary Index, FT Gold Mines Index, Boots, Bregreen, British Telecom, Cable and Wireless, etc.

Investors fail to catch the honeymoon mood

A POPULAR young couple tied the knot midweek under the dewy-eyed gaze of over 350m television viewers around the world.

downs and customers that held off ordering in the belief that prices would fall to reflect lower oil costs.

Input costs have, however, fallen by around a fifth over the past 12 months compared to a 2 per cent rise in selling prices.

Forecasters for 1987 have to be made with a heavily typed card about the outlook for the world economy but more than one analyst is looking for £1.2bn pre-tax.

Having suggested here last week that BET had to prove that it could build on last year's successful profits rise to £124.6m by developing its core industrial service activities.

Nevertheless the shares immediately fell 18p to 982p on the news, presumably because the most newsworthy message to come out of ICI this week was that the fall in the oil price had not triggered the improvement in economic activity that some had predicted.

But if the likes of ICI are not going to cut selling prices to reflect lower input costs perhaps it is not that surprising that the world economy has not shot forward.

So far this year the group has had to contend with stock write-

HAT meantime has immediately rejected the BET offer. Yet the defence will have its work cut out to prove the bid inadequate.

The current year may not produce a great deal by way of higher profits but an improvement to £185m looks a reasonably minimum target and if the trading mix gells that figure could be £10m or so higher.

As at Asda-MFI, which appears to be going on beneath the surface of Great Universal Stores.

Companies are normally expected to have a three-year trading record before coming to the junior market.

However, an issue like this would not have raised an eyebrow.

But what has caught the market's imagination is the potential of the coupling of management abilities.

In the market's early days, many companies took advantage of this provision to seek equity funding for new ventures.

Perhaps the most important factor, however, has been the rough reception given to greenfield companies by investors whose patience has been severely tested by a series of disappointments and in some cases spectacular flops.

Many start-up companies tend to be optimistic about the time scale over which their projects will become profitable.

Richard Tomkins

A dying breed revives

THE FLOTATION of Omnitech next week will mark a revival for what had appeared to be a dying breed: the USM start-up ventures.

Aylesbury-based Omnitech will be seeking about £1m in new equity to fund the promotion and marketing of what it claims is a revolutionary packaging machine used mainly for food such as chocolates and biscuits.

Called Omnitech, this machine is said to be much more efficient than conventional models.

Companies are normally expected to have a three-year trading record before coming to the junior market.

However, an issue like this would not have raised an eyebrow.

But what has caught the market's imagination is the potential of the coupling of management abilities.

In the market's early days, many companies took advantage of this provision to seek equity funding for new ventures.

Perhaps the most important factor, however, has been the rough reception given to greenfield companies by investors whose patience has been severely tested by a series of disappointments and in some cases spectacular flops.

Many start-up companies tend to be optimistic about the time scale over which their projects will become profitable.

Richard Tomkins

USM UNLISTED SECURITIES MARKET

already been undermined by lack of confidence in the prospects, however, this may not be a viable option, and the danger then is that they will run out of money and go under.

Stories of start-up misadventures are legion. They began on the USM's first day, when Hesketh Motorcycles became one of the original 11 companies which constituted the junior market.

Many start-up companies tend to be optimistic about the time scale over which their projects will become profitable.

Richard Tomkins

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Table with columns: Company bid for, Value of bid per share, Market price, Price of bid, Value of bid, Bidder. Includes AE, Aikhen Home, Assoc Heat Svcs, Authority Inv, etc.

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on July 25 1986. †† At suspension. †‡ Shares and cash. †‡‡ Related to NAV to be determined. ††† Loan stock. †††† Swedish kronor. ††††† Tender offer for 25.1 per cent of capital. †††††† Unl. Loan Note offer.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Includes AAH, Astra Ind Grp, Bregreen, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Includes Automated Secs, Bregreen, etc.

(Figures in parentheses are for the corresponding period) * Dividends are shown net pence per share, except where otherwise indicated. † For 15 months. ‡ Loss.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Table with columns: Company, Offer for sale of, Placing of, Introduction of. Includes Acas & Hutcheson, Atlas Converting Equipment, etc.

RIGHTS ISSUES

Table with columns: Company, Rights issue of, Issue at. Includes Associated British Engineering, Berkeley Technology, etc.

Financial Times Conference Organisation, Minister House, Arthur Street, London EC4R 9AX. Alternatively, telephone 01-621 1355 or telex 27347 FTCONFGB.

Boost for the banks

IT IS AN important week for the financial services sector with three major groups reporting figures. Kicking off will be NATIONAL WESTMINSTER BANK whose Tuesday interim results are expected to show pre-tax profits of around £445m.

ing into a market which has caused so many problems in the past. Despite the dilution effect of the rights issue, the drop in the tax charge to around 40 per cent will keep the earnings per share increase ahead of the profits rise.

The interim figures for MIDLAND BANK due on Friday, are expected to show pre-tax profits just shy of the £200m mark after £151m last year. Since the tax rate will fall from around 59 per cent last year to around 40 per cent this, the net effect will be a significant rise in earnings per share.

Midland has pushed hard to get a slice of the UK mortgage business by undercutting its rivals' rates and although margins have suffered, the overall effect will have been to push up domestic banking profits. The bad debts provision and the disposal costs of Crocker will prevent international profits from showing the same rate of growth but they should still top £150m. Analysts are predicting that the strength of these

Results due next week

These better results will be unlikely to improve the market's cautious view of Mercantile's short term prospects.

However, the City has concluded that Reuters' interim results on Monday will be better than last year's—around £27m pre-tax, up almost a third on 1985's £22m—and there has been a lot of buying ahead of the figures.

Even News International's stake in Reuters is expected to be sold on Monday to top up its holding so as to meet the potential demand from those who bought the bond—which can be converted from August 15 onwards into Reuters' B shares.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Table with columns: Quoted rate %, Compounded return for taxpayers at, Frequency of payment, Tax (see notes), Amount invested, Withdrawals (days). Includes CLEARING BANK, BUILDING SOCIETY, NATIONAL SAVINGS, MONEY MARKET ACCOUNTS, BRITISH GOVERNMENT STOCKS.

Table with columns: Company, Announcement, Dividend (p), Last year, This year. Includes FINAL DIVIDENDS, INTERIM DIVIDENDS.

* Loans Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

Vertical text on the right edge of the page, likely from an adjacent page or a scanning artifact.

FINANCE & THE FAMILY

David Lascelles reports on the preparations for Britain's largest bank flotation

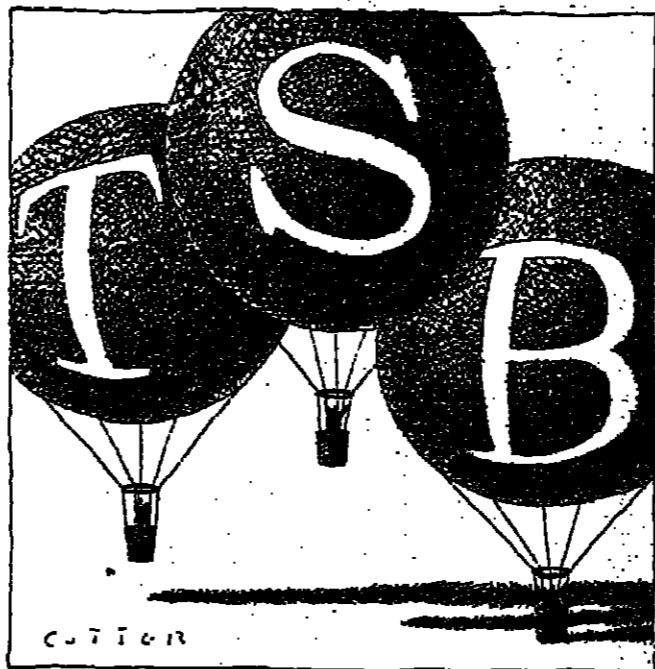
The balloon goes up

MANY PEOPLE must have noticed a sudden spurt in advertising for the Trustee Savings Bank on TV and in the papers this week...

has been set up in Bristol (PO Box 330, Bristol BS99 7TS, tel 0272 300 300) to handle what the TSB hopes will be a flood of inquiries...

ing for shares, Sir John Read, the chairman, says: "We are equally keen to attract a wide response from the general public."

time to prepare for the actual pricing in the final prospectus. Although no one will be able to say definitely whether the TSB is worth subscribing for until that price is known...



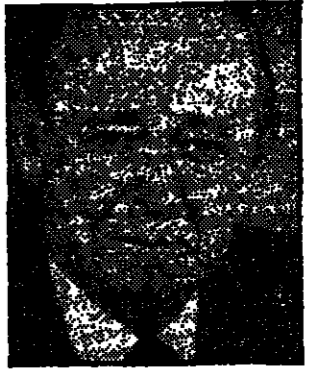
the flotation is coming—an unusually high figure. The figure for TSB customers was even higher: 51 per cent. Most of these respondents were in the AB and C1 socio-economic brackets...

A little extra

Margaret Hughes finds the Halifax expects few rapid changes in building society services

YESTERDAY, THE new Building Societies Act received Royal Assent. This new legislation, represents the first major changes in the structure of building societies for more than a hundred years...

and where our technology is more advanced than that of the banks. Your Cashcard which will act as a cheque guarantee card as well as cash dispenser card...



Mr John Spalding: A process of evolution

Though the Halifax aims to move into the stockbroking arena—selling stocks and shares, unit trusts and personal equity plans (PEPs), as well as providing investment advice...

As soon as it is allowed to, the Halifax plans to buy land for development with the aim of providing 3,000 homes a year by 1990 in areas of need...

Barclays Bank has launched a fixed and floating rate long-term lending scheme aimed primarily at small and medium-sized businesses...

John Edwards

NATIONAL SAVINGS' new index-linked certificate

Offering 4.04 per cent real annual interest on top of the increase in the Retail Price Index (RPI) over its five-year life, the new Fourth Issue Index-Linked Certificate will give a better return than the 31st Issue National Savings fixed-interest certificate...

Inflation proof?

Five-year life of the new National Savings certificate, will do better for the basic rate taxpayer if inflation averages over 3.1 per cent. The present rate is 2.5 per cent.

Index-linked securities are in some ways most closely comparable with shares and property, because the returns on these investments may also be expected to be related to inflation.

ing of stockbroker Kleinwort Greaveson

"The reasoning is that on a long term historical perspective, equities have tended to return just over 4 per cent real. Looking back to the real returns on yields on nominal gilts in past periods when there was not much inflation, one finds that 3 per cent or just over was a typical yield. Therefore, 1 per cent does historically seem to have been a typical risk premium before recent high levels of inflation confused matters."



Offshore fund of funds

THE Midland Bank through its Jersey subsidiary, is launching on August 4 an offshore "fund of funds" aimed at expatriates, working or living outside the UK.

Investors overseas returning to the UK will have the option of a free transfer into the Midland's managed portfolio unit trust. Transferring in this way to the UK "sister" fund could benefit anyone liable to capital gains tax.

Mark Cliffe, chief economist at stockbroker Capel-Cure Myers, calculates that, for most people, index-linked gilts would offer a good bet unless inflation stays very low.

BREAK-EVEN INFLATION RATES (%) FOR INDEX-LINKED GILTS AGAINST NATIONAL SAVINGS 4TH ISSUE CERTIFICATES

Table with 3 columns: Inflation Rate, Non-taxpayer, Basic rate taxpayer, Top rate taxpayer. Rows for 1988, 1990, 1996, and 2011.

George Graham

A high guaranteed monthly income from gilts.

PORTFOLIO 30

HOW? Portfolio 30 is a service for investors which combines the advantages of two recent tax rulings. Since July 2nd, all gains from British Government Securities (known as gilts) are exempt from Capital Gains Tax.

Form for Portfolio 30 investment details, including name, address, and investment amount.

A five year high income bond has been introduced by the Anglia Building Society. The Bond pays a guaranteed 2 per cent extra interest above the Society's share account rate...

Cheltenham & Gloucester claims it is still the best bet for large investors, offering 8.25 per cent compounded annual rate (8.05 net) on its premier monthly income account...



A short, sharp lesson in portfolio management.

There's no secret about achieving the very best performance from your investment portfolio. You simply retain an exceptional kind of investment manager to do the job for you.

Handwritten note in Arabic script: هكذا من الجيد

FINANCE & THE FAMILY

Eric Short predicts a bonanza for home-buyers

Spoil for choice

HOUSE-BUYERS are going to be spoiled for choice when it comes to getting a mortgage...

specialists, other institutions such as the clearing banks, merchant banks, life companies and specialist mortgage finance houses would all be competing keenly.

The proliferation of operators in the mortgage field would mean that competition, already keen, would become even tougher.



mortgage lenders could step up the marketing pressure, concentrating not only on endowment mortgages but also on house insurance and other insurance products.

the marketing emphasis being increasingly concentrated on employees rather than the self-employed. Speakers foresaw it as inevitable that people would come to regard their pension savings as suitable for use to buy homes.



Mutual disagreement

TO WHOM does a life insurance company belong? If it is a public quoted company, like the Prudential, then it is owned by shareholders who receive copies of annual reports and accounts.

details whatsoever regarding this important matter - let alone been asked to approve it.

to them via a broker, the company had still put the policies through a broker.

Stuart Chappell explains how charity can start at home

Earn as you give

GIVING TO charity, and increasing your income at the same time, seems an unlikely combination. But it is possible for high rate taxpayers by a little bit of careful planning.

wait until you die, the charity will benefit from the cash legacy and your estate will get inheritance tax relief on the amount of the gift.

charity is treated by the Inland Revenue as having received £7,042 as you are entitled to retain 29 per cent of each payment against your own tax liability.

Over the four-year period your spendable income will be £3,452 higher altogether and in fact it will take a further three and a half years before the net income loss (from not investing the £20,000) finally outweighs the amount received in tax relief.

Table with 2 columns: Description and Amount. Example Charitable covenant 7,042, Less tax relief at 29% 2,042, Net amount payable 5,000, etc.

Table with 5 columns: Description, Year 1, Year 2, Year 3, Year 4. Loss of income - 5,000 x 4.92%, Higher-rate income tax relief - 7,042 x 21% (50% - 29%), Increase in spendable income 1,232, 1,986, 2,740, 3,494.

Weekend Business

Control Wanted of a Small Listed Company. A strong team of corporate and property professionals have assets for injection. Current activities assures rapid future growth.

11 1/2% NET INTEREST PER ANNUM. STANDARD TERMS ACCOUNT £1,000 min £50,000 max. Under £10,000 11% p.a. net. Over £10,000 11 1/2% p.a. net.

SWITZERLAND. Established service company in Lausanne can provide INDEPENDENT SUITE OF OFFICES WITH FULL SERVICES MANAGEMENT, ACCOUNTING AND SECRETARIAL SUPPORT.

LEASING PROPOSITION. Private Company with 3m of 'Small Ticket Leases' per annum i.e. £3,000 average seeks proposals for a) PROFIT SHARE b) EQUITY SHARE.

ELECTRONICS ASSEMBLY/MANUFACTURING COMPANY WITH EXCESS CAPACITY. An electronics design and manufacturing company recently relocated into large premises in the Thames Valley.

Available for Companies wishing to make payments in NIGERIA. Approximately 1 million Naira with the Movement Certificate.

MAJOR UK FOOD COMPANY. SEEKS INVESTMENT OPPORTUNITIES. Acquisition, Joint Venture, Distribution Agreements considered.

FULL TITLE and balance of income of 12 year 4% Externally redeemable ZIMBABWE GOVERNMENT BONDS.

Control Wanted of a Small Listed Company. A strong team of corporate and property professionals have assets for injection.

FAX UPDATE. WHOLESALER SPECIALS OF PHASE THREE FAX MACHINES. Lowest prices in Europe.

BROOKLANDS. THE NEW BROOKLANDS IS OFFICIALLY OPEN. A new 1.6 litre engine, 1600 cc, 1600 cc, 1600 cc.

BRUKLANDS. THE NEW BROOKLANDS IS OFFICIALLY OPEN. A new 1.6 litre engine, 1600 cc, 1600 cc, 1600 cc.

BRUKLANDS. THE NEW BROOKLANDS IS OFFICIALLY OPEN. A new 1.6 litre engine, 1600 cc, 1600 cc, 1600 cc.

Doubly taxing Donald Elkin on overseas investments

AS THE Chancellor of the Exchequer reminded us in his Budget, Britain's overseas assets have increased seven-fold since 1979 to a record of £90m. While much of this is corporate and institutional investment, direct holdings overseas by individuals have no doubt increased in like proportion. Such investors will probably find that their income and, (less frequently) their capital gains will be taxed not only in Britain, but in the overseas country too, a situation already familiar to those in receipt of overseas rents, trust income and so on.

As indicated, individuals can claim double taxation relief only in respect of direct taxes paid overseas. But the position is sometimes not what it seems as Mr Green, a shareholder in a Malaysian company found to his cost. He received a dividend for M\$600, accompanied by a certificate to the effect that the gross dividend was M\$1,000 and that M\$400 Malaysian tax had been deducted and paid to the authorities.

tax had been £1,600 (i.e. 40 per cent), the relief would have been restricted to £4,000 at 29 per cent = £1,160. Importantly, even though Mr Brown would only have received £3,200 (or £2,400) after paying his foreign tax, the full gross amount of £4,000 is taxable in the UK, whether or not relief is available for all of the overseas liability.

Seven-year hitch

In 1979 I took out an insurance policy in order to provide a capital sum to offset death duties on the joint estate of my wife and myself. I did this on the suggestion of my bank manager and the business was carried out by the bank's insurance services subsidiary. Because most of my career was spent overseas, all of my securities documents were held by the bank, and once the terms were finally agreed I assumed that the policy would be deposited by the bank with my other securities. Last year I retired and decided to change my bank. I asked that the securities holdings be transferred and discovered that the insurance policy—and only that—was missing. It could not be traced and the bank agreed to obtain a duplicate from the insurance company. Several months later, after many telephone calls and the filling in of forms, I received a policy. This, however, was not a copy of the original policy, it was an entirely new policy, dated in 1986, examination of which indicates that not only does it not satisfy the conditions originally agreed but it also ignores benefits and bonuses enjoyed on a policy entered into seven years ago. What is even more disturbing is a statement that the original policy was surrendered by virtue of a form of indemnity signed by me. The only indemnity I signed was—I understood—a policy to protect the insurance company against a double claim on the original policy. I am convinced that either the original policy was never

finalised or that the insurance company sees the loss as an opportunity for doing a more favourable deal. I consider that for seven years I have been paying premiums under false pretences. The history which you set out is very disturbing. You should require your bank manager to give a full explanation of what happened and how a new (and different) policy came to be issued. At the same time you should seek an explanation from the insurance company. There are now "ombudsman" services available for both insurance and banking, and it may be that you will have to pursue the matter there if the companies themselves do not satisfy you.

switch so late in the tax year that you receive more than 12 months' building society interest in tax year. Second question: No: for the current tax year (only), clause 52 of the Finance Bill (which was originally clause 46) exempts the general increases which have just taken effect. The Christmas bonus is also exempt, every year.



If someone should be damaged by such a plant and should I take out an insurance policy to cover such a contingency? Also, I have a rear enclosed garden with a flank wall adjoining a public footway. I would like to remove this wall, but if I carried out this work it would place established thorny plants next to the footway. I wonder what the legal implications of this proposal? If your plants do not encroach upon the footway you would not incur liability. You would be wise to ensure that the plants are trimmed back so as not to make any encroachment, although insurance against liability to users of the footpath might be a cheaper solution.

When death do us part

My wife and I have made wills in each other's favour. If I predecease her my estate will pass to her free of CTT and vice versa. But if she died a week or so after my death without making a will would half the estate go to our son and half to her sister and brother. Conversely, if she predeceases me and I failed to make a will and she died intestate would the estate be divided between our son and my brother and sister. Our object is to ensure that the estate passes intact on our deaths to our son. In each case the entire estate would pass to your son if he died intestate after you and thereby survivor of you and your wife; to be to die intestate.

Titles and tenure

In Scotland, if a landlord leases office/shop premises for 20 or 5 years does the commercial tenant have any security of tenure at expiry of the lease if landlord wishes re-possession for his own business use? I wish to give a series of seminars under a specific title. Can I register this title as a trade mark or copyright so that no one else can use it. Would it be expensive? Under Scots law there is no equivalent statutory provision with regard to security of tenure for tenants of commercial property. No protection exists other than a contractual obligation with regard to an option to renew or extend. There is a limited security granted by the Tenancy of Shops (Scotland) Act 1949. The protection thereunder however is limited and should not be relied upon in the situation stated by you. If the landlord rents the shop for his own use it may well be that the Sheriff will refuse an application for an extension on the basis that in the circumstances

Allowance for age

The combined income of my wife and myself (both over 65) exceeds £9,400 a year with the building society interest grossed up, so that we do not get the age allowance. Is it possible to switch the building society or other investments (eg, to National Savings Certificates) where the interest is not included in arriving at the investment income figure for age allowance purposes and are there any snares in the switch? Also for age allowance purposes is the whole or both our state pensions included in arriving at the income? First question: Yes. The only significant point to watch is that you do not make the

Points at issue

I own a small property with an unenclosed front garden. During the past 18 years, roses and other thorny plants have been cultivated adjacent to the public footway which immediately adjoins the garden. Have I any legal responsibility

The Investment Trust Table

Table with columns for Investment Policy, Management, Share Price, Yield, Net Asset Value, Geographical Spread, and Total Return. It lists various investment trusts and their performance metrics as of 30th June 1986.

Investment Trusts. Your shares of the action. Includes a logo of a bird and promotional text for investment trusts.

PICK UP A COPY FOR JUST £5.95. For a full and easy to read insight into how Investment Trusts really work send for a copy of the new edition of 'How to make IT'. This book details the diverse and exciting opportunities Investment Trusts can offer.

Handwritten note in Arabic script: كتاب من الأصول

Country Property

SAVILLS

PERTHSHIRE 20,000 ACRES
Killin 6 miles, Edinburgh (Airport) 90 miles
A renowned West Perthshire estate with quality black face sheep flock, superb stalking and fishing on 7 miles of River Lochay.
Farmhouse, 8 Cottages, 2 Main sheep tanks.
120 acres in-bye ground.
2000 acres enclosed hill parks.
180 acres woodland, 18000 acres hill Afforestation potential.
8 Sheep hinds 4,100 Ewes and 100 cows.
Red deer stalking - 75 stags and 50 hinds.
Trout fishing and walked up grouse shooting.
Joint Agents: STRUTT & PARKER, 26 Walker Street, Edinburgh, EH1 3HR. Tel. 031-226 2500.
SAVILLS, 46 Charlotte Square, Edinburgh, EH2 4HQ. Tel. 031-226 6961.

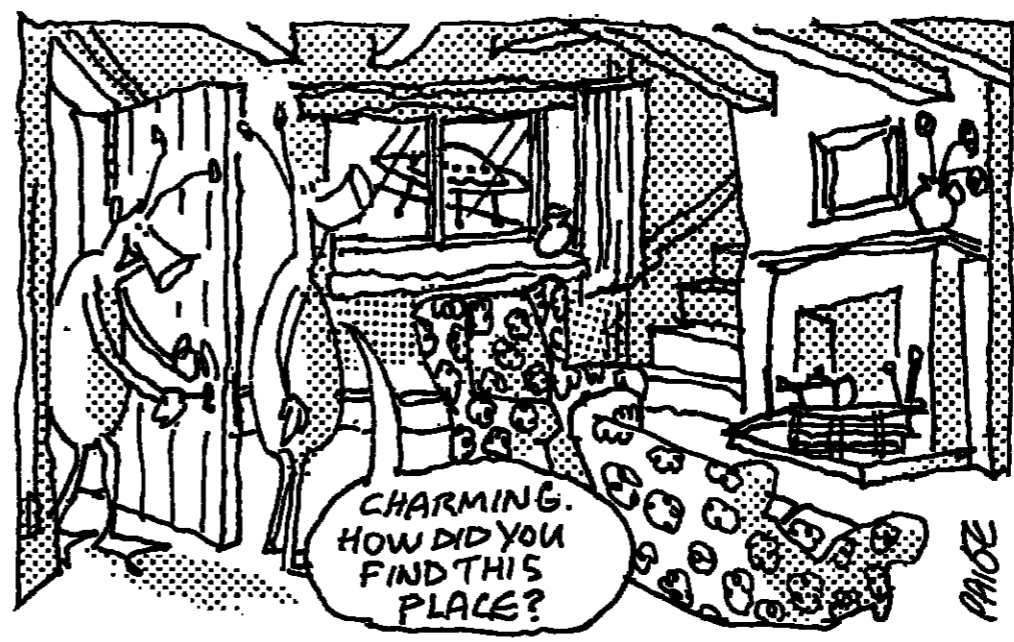
BUCKINGHAMSHIRE - Gerrards Cross
Gerrards Cross Station 1 mile, Marylebone Station 30 minutes.
Marble Arch 21 miles, Heathrow 9 miles.
Imposing and elegant country house, finished to the very highest standard and situated in a most prestigious part of Gerrards Cross.
Challenged reception hall, cloakroom, drawing room, sitting room, dining room, study, billiards room, superbly fitted kitchen/breakfast room, 3 bedrooms, 3 bathrooms (including 2 suites).
Guest annex.
Gas central heating. Double garage. Gardens.
About 1 acre
Joint Agents: BRAXTON, 108 Queen Street, Maidenhead, Berkshire, Tel. 0628 74234
SAVILLS, London.

CORNWALL - Falmouth
Penance 27 miles, Plymouth 65 miles
One of the few remaining packet houses, listed Grade II and recently entirely modernised with outstanding views over the inner harbour and its own slipway/jetty and quay.
House: Drawing room with balcony, dining area, study, modern kitchen, utility room, master bedroom, dressing room and bathroom suite with balcony, 3 further bedrooms and second bathroom.
Self-contained flat: Living room, kitchen, 2 bedrooms and bathroom.
Gas central heating.
Indoor heated swimming pool. Sailing facilities: slipway, jets and quay, rented mooring.
Small walled garden with large greenhouse and shed.
SAVILLS, Rollie House, 60 Millford Street, Salisbury, Wiltshire SP1 2BP. Tel. 0722 20422.
SAVILLS, London.

SAVILLS and DAVIS & BOWRING are sponsoring and invite you to view THE NORTH OF ENGLAND GROUSE RESEARCH PROJECT on the Game Conservancy Stand at THE GAME FAIR, Harwood, Yorkshire
20 Grosvenor Hill, Berkeley Square, London W1X 0HQ. 01-499 8644

John Callander, of the Cadogan Street agents Callander Wright, sums up the problem of central London asking prices by saying: "At least 25 per cent of the properties I see for sale now are overpriced."
"It is always the case in the summer. When the sun comes out, people do think that their garden is looking particularly good and that it's the best time to sell. Some do take an unrealistic view of the value of their property."
Egged on by a new breed of barely competent but highly competitive estate agents, over-optimistic sellers hold out for unrealistic prices. The house or flat sticks on the market until the autumn; then, on past experience, Callander says: "They'll either bring the price down to a more realistic level, the market will have caught up with them, or both. Either way, that is when the sales start to pick up again."
"The autumn, and spring in the weeks before the school summer holidays, are the best times to sell. It's a popular misconception that the summer brings out the buyers," he adds.
Home owners are not the only ones trying to push their luck in a seller's market: he has run across professional developers who will not listen to an advising agent's valuation. "I have had cases where we give a figure and the developer has said, 'I want 25 per cent more than that.'"
Andrew Langton, managing director of the Kings Road agency Aylesford & Co reports the same problems although, as he says, most of the residential developers these days do take note of professional valuations. Development financing costs make them as conscious of the speed of sale as of the price.
Private buyers can be quite a different matter. When a seller insists on asking far more than a suggested valuation, an agent is in a difficult position. Says Langton: "What are you to do? Tell someone it is illogical nonsense or say, 'OK, I'll give it a go' and see if some unexpected buyer turns up? I've got half a dozen like that in the drawer."

John Brennan looks at prices in the centre of England's capital and finds that many sellers seem to be pushing their luck...



London's unreal estate

advice on prices based more on an agent's view of what will win him a sales instruction than on the chances of selling the property in a reasonable period. And Parry reports that sellers are going that kind of misleading advice from job-hungry agents every day.
If there was any one objective value for a house or a flat, it would be easy to see when a price was out of line with the

move or because, that way, the agent's commission comes in so much faster.
Generally, the pressure works the other way, towards overpricing. MacEacharn turns back to our national Mrs Jones. "If she asks three or four agents around, three of them may agree that her house is worth £170,000. They're likely to say that she ought to ask £180,000 to £185,000 and see if she gets an offer. If

'The magazines that pour through the doors provide inspiration for DIY values... and the free valuations on offer help to turn even the most settled home owners into speculators.'

market. But it is not as simple as that. As Chesterton's senior partner, Bruce MacEacharn, says: "On new developments, people don't attempt to over-price as a rule. They know their costs and say, 'OK, we want £300,000 for a two-bedroom apartment and £250,000 for the smaller ones.' They know what prices are."
When it comes to the resale market, you're in a minefield. Say Mrs Jones puts her house up for £150,000, and it is sold within a day. She wonders if she was asking enough; she's bound to. It is one of the problems about asking prices that you know never if an agent has pitched the price low enough to ensure a near-instant sale, either because the client wants a swift

the fourth says 'You should get £225,000, she's very likely to go along with that.'
It is not always rogue agents who push sellers into asking too much. MacEacharn recalls one client with very fixed views on value. "I was asked to sell a house in Kensington and the chap wanted £1.5m. There was no way it could have been worth that money. I wouldn't market it at that price, but I agreed to keep it in the bottom drawer for a special purchaser."
That house was eventually sold—but not for another two years and for £100,000 less than that "no offers" asking price.
Still, even the best professional valuations can be only a guide to price. MacEacharn explains how an agent's view

Cornish delights

THE COLLAPSE of the tin price may have wrought havoc with Cornwall's mining, the oversupply that led to milk quotas deeply indented the profitability of the region's small-holdings, and the loss of its special development area status in the redrafting of regional aid policy hasn't the drive to bring in new jobs. But home buyers still compete for sea views and country homes.

Peter Copeland at Miller & Company in St Austell reports a shortage of sizeable country homes. "There have been quite a number of small holdings on the market, but the bigger farmhouses you could really do something with don't come up that often." The motorways and road improvements after Exeter cut the road journey time from London to St Austell to around five-and-a-half hours, and there's the overnight Motorail if that haul seems too exhausting.
Once there, choice and price depend on how close you look to the southern coast. "You can get a farm house inland dead cheap," says Mr Copeland, "but on the south coast with a sea view the same property will cost several times more."

One three-bedroom farmhouse on Miller's books at Frazean Bebble, near Camborne is a "typical Cornish property. It is called 'Five-Acre Farm' and has six acres." That's £78,500.
Resugga farmhouse at St Stephen in Brannel has a more distinguished history. A mile from the prehistoric earthworks of Resugga Castle overlooking the River Fal, the Grade II listed 16-room farmhouse dates back to the 14th century, although there is not much of the original building left after additions and alterations over the centuries. The building, and an acre and three-quarters of garden and paddock, was sold off when its farm's land was eventually bought some years ago. The new owners spent about £25,000 re-roofing the house in traditional Delabole slate, and made a start on internal renovation work.

The price? Well, as it is one of the properties of character that "buyers from up country" tend to like, Miller is putting it up for auction on September 9 at its St Austell office (0726 68435). Bids between £75,000 and £100,000 are expected, but you never know with an auction.

J.B.

Knight Frank & Rutley

PERTSHIRE
Killin 11 miles, Aberfeldy 31 miles, Striding 40 miles.
An exceptional Highland sporting estate
56 stags and 25 hinds. Loch and river fishing.
Recently modernised house with 2 reception rooms, 4 bedrooms and 2 bathrooms, 8 cottages.
About 19,000 acres
For sale privately with vacant possession.
Offers over £23 per acre
Apply Edinburgh. Tel: 031 225 7105 (CBSS02047)

LUXURY FLATS IN CHELTENHAM
Racecourse 1 1/2 miles. Town centre 5 minutes.
Purpose built apartments in excellent residential area ideal for corporate entertaining or relocation or individual executive purchase.
29 units of 23 bedrooms remaining. Passenger lift. Basement parking.
Long leaseholds for sale individually or in blocks from £49,950 to £87,500
Joint Agents: Bruton Knowles & Co. Cheltenham. Tel. (0242) 45081
Knight Frank & Rutley, Cirencester. Tel. (0295) 69771 (CR: 12619)

20 Hanover Square 01-629 8171
London W1R 0AH Telex 265284

BEDFORD
Country Property Agents

CAMBRIDGESHIRE
Convenient Newmarket, Cambridge and London via M11 (1 hour)

Lavishly restored fine Georgian village residence, 4 reception, magnificent kitchen/breakfast, 6/7 bedrooms, 3 bathrooms; delightful walled garden including small trout lake, hard tennis court, delightful walled garden about 2 acres.
Region £395,000
David Bedford,
15 Guildhall Street, Bury St. Edmunds. (0784) 2822/68940.

Lane Fox & Partners Rylands

COTSWOLD HOLIDAY COTTAGE COMPLEX
Burford 8 miles, Cheltenham 18 miles
Flourishing Self Catering Business
Turnover for 1986 expected to exceed £30,000
Six Cotswold Stone Cottages, owners House
Further barn with consent for two Bedroom Houses. Garden, Orchard & stream - 2.25 Acres
(further 3.25 Acres available in addition)
£350,000 including Fixtures, Fittings & Goodwill
Joint Agents: JACKSON STOPS & STAFF, Tel: Cirencester (0285) 3334 and
LANE FOX & PARTNERS with RYLANDS.

GLOUCESTERSHIRE - 472 ACRES
Cheltenham 6 miles, Cirencester 9 miles
ATTRACTIVE RESIDENTIAL AND SPORTING FARM
in glorious Cotswold Country
FINE LISTED HOUSE
2 Reception Rooms, 6 Bedrooms, 2 Bathrooms, Barn period farmhouse
Modern and Traditional Farmbuildings
82 Acres Woodlands. Excellent Sheep.
ABOUT 237 ACRES ARABLE, 150 ACRES PASTURE
FOR SALE PRIVATELY As a whole or in three lots
THOMAS STREET, Cirencester, Glos. Tel. 0265 3101

Carter Jonas Chartered Surveyors

BUCKINGHAMSHIRE - Dinton
About 41 Acres
Aylesbury 4 miles, M40 9 miles, London 48 miles
Impressive Grade II* manor house dating from the 17th century, set in magnificent landscaped gardens with commanding south facing views to the Chilterns.
4 Principal Reception Rooms, Library, Piano Room, 2 Kitchens and Domestic Offices, 10 Principal Bedrooms, 7 Bathrooms, 4 en suite, Staff Flat, Attic Room, Cellars, Oil fired Central Heating, Garaging, Stables, Swimming Pool, Hard Tennis Court, Squash Court, Dovecote, Gardens, Paddocks and Grounds.
May be suitable for hotel restaurant use, nursing old people's home, conference centre or similar residential use, subject to necessary planning consent.
Freehold for sale by private treaty.
15 St. Giles, Oxford, OX1 3JS. Tel. (0865) 611444
90 Jermya Street, London, SW1Y 6DW. Tel. 01-930 2401

Austin Wyatt

THE MEON VALLEY, HAMPSHIRE
A BEAUTIFUL GRADE II LISTED 16TH CENTURY
THATCHED RIVERSIDE COTTAGE STANDING IN ALMOST 12 ACRE
Dramatic Riverbank Superbly Fitted Kitchen, 4 Beds, 2 Baths, Oil & Gas Double Glazed Detached.
Price Guide £215,000 to include 10 carpets, curtains, light fittings and most fixtures.
BISHOPS WALTHAM, HANTS. Telephone 04802 5333

STRUTT & PARKER

Northumberland
An impressive Country House of Style and Character with Magnificent Southern Views
Reception Hall with Cloakroom, 2 Reception Rooms, Master Bedroom with Bathroom en suite, 3 Additional Bedrooms and Bathroom.
Oil Fired Central Heating
Loose Boxes (4), Tack Room, Haystore, Garage (4 cars).
About 28 Acres
Edinburgh Office: 26 Walker Street, Tel: 031-226-2500. Ref 3BB 3408.

Essex 711 Acres
Nr Saffron Walden
A First Class Grade 2 Commercial Farm
Early 19th century house with reception hall, 3 reception rooms, 5 bedrooms, 2 bathrooms.
Double garage and snooker room.
Pair of semi-detached cottages, bungalow in need of restoration, range of livestock buildings and 2,500 tonnes of corn storage.
For Sale by Private Treaty.
Joint Agents: Messrs Mullocks & Co, 15 Market Square, Bishops Stortford, Herts. Tel: (0279) 55074
Strutt & Parker, Chelmsford Office, Cowal Hall. Tel: (0245) 58201. (Ref 2CC7077)

Sussex - Wadhurst Park
Charing Cross/Cannon Street/Waterloo (35 minutes)
An attractive country house situated on this exclusive estate with superb views
3 reception rooms, kitchen/breakfast room, 6 bedrooms, 3 bathrooms, Terrace garden, 2 lakes, 4-car garage.
Woodland, paddock, loose boxes.
About 9 acres
Region £295,000
Lewes Office: 201 High Street, Tel: (0278) 475411 (Ref. 6CC2256)

Simmons & Lawrence
Chartered Surveyors Established 1770

OXFORDSHIRE, Watlington 120 Acres
Oxford 17 Miles Henley on Thames 10 Miles M40 (Junction 6) 4 Miles

A rare opportunity to acquire a farm with a substantial house under an hour's drive from London.
The farmhouse, recently built in the traditional manner with brick and flint, is set in 120 acres of good farmland with extensive views over beautiful surroundings. Accommodation includes 7 Bedrooms, 3 Reception Rooms and 3 Bathrooms. Swimming pool. Four car garage with self contained 2 bedroomed flat above. 2 Loose boxes and ample outbuildings.
Separate range of modern stock and general purpose farm buildings.
Apply Henley Office,
32 Bell Street, Henley (0491) 571111. Ref MC.
SIMMONS & LAWRENCE
AMC AGENTS
32 Bell Street, Henley-on-Thames, 0491 571111 Oxfordshire.

Abbotts

NEAR HARWICH - £390,000 or near offer
Small country estate with 15 acres including large Victorian house and two cottages. Many potential domestic and residential uses.
11 Duke Street
Chelmsford Essex CM1 1HL
Chelmsford (0245) 83266

EAST DEVON
HOLIDAY INVESTMENT
Fully furnished 2 bedroom period bungalow. Lovely rural location. £45,000. Vacant possession.
4 double bedrooms (2 on each floor) residence. Estuary and sea views. Half acre. (99,500)
EAST HILL
Luxury det. modern house. 3 1/2 rec. 4 1/2 beds. Secluded setting in 5 acres. Panoramic views. £155,000
Falduffes Est. Agts. 99 High Street, Honiton. Ph 0404 44744.

AN OUTSTANDING RETIREMENT OPPORTUNITY
Tixover Grange, Stamford, Lincs. Only 1 hour from London

Country Mansion in extensive gardens and grounds carefully converted into self-contained retirement apartments, cottages and bungalows

From £45,000
Viewing 7 days a week
10 am - 4.30 pm
For further details call: 078 083 382

FOUNTAIN FORESTRY

FORESTRY INVESTMENT
Wales - Powys
185 Acres
Good planting land.
Grant approved.
£65,300

Contact:
B. N. Howell, Fountain Forestry Ltd.,
25 Queens Avenue Street, London W1M 0PB
Phone 01 631 0845

Miller

CAPE CORNWALL
Near Land's End
• 1 1/2 Miles Sea Frontage
• 60 Acres Coastal Land
• Dramatic Sea Views
• Small Private Cove
• England's only Cape
• 17 Bedroomed Hotel
Nearby available at £185,000
Freehold offers over £50,000
MANSON HOUSE, TRURO
Truro: (0872) 74211

NORWICH
Range of individual penthouse flats adjacent to river. Central around spectacular landscaped glacial stream. Superb views of nature city centre. Some with gallery landing and special staircase and garage. All fully fitted to the highest standards.
£49,500 to £85,000.
125 year lease.
Phone 0603 630280 or 0763 47936
for colour brochure

BOSTON, LINCS. 4 bed Country Bungalow with 1000 sq ft. self-contained living, dining room, fitted kitchen, pantry, utility, cloakroom, 4 beds (1 with en-suite bath), shower room, C.H., D.G., 2 tile garage, fenced gardens, patio, £22,000. Elys 1 Main Ridge West, Boston (0205) 61687.

ASHDOWN FOREST, SUSSEX. Tastefully restored 17th century house from 17th Century in a truly rural location. Close coast, views, Market Place, 2000 sq ft. 2 bedrooms, 2 bathrooms, 2 reception rooms, 250 sq ft. 2 bedrooms, 2 bathrooms, 2 cars, 2 acres. £200,000 Tel (0263) 768159.

RAVISHAM WILDERNESS only 1 hour up M11. Large lake, spacious, massive 2 fire place. 1000 sq ft. Offers in excess of £185,000. Tel 01-952 0020.

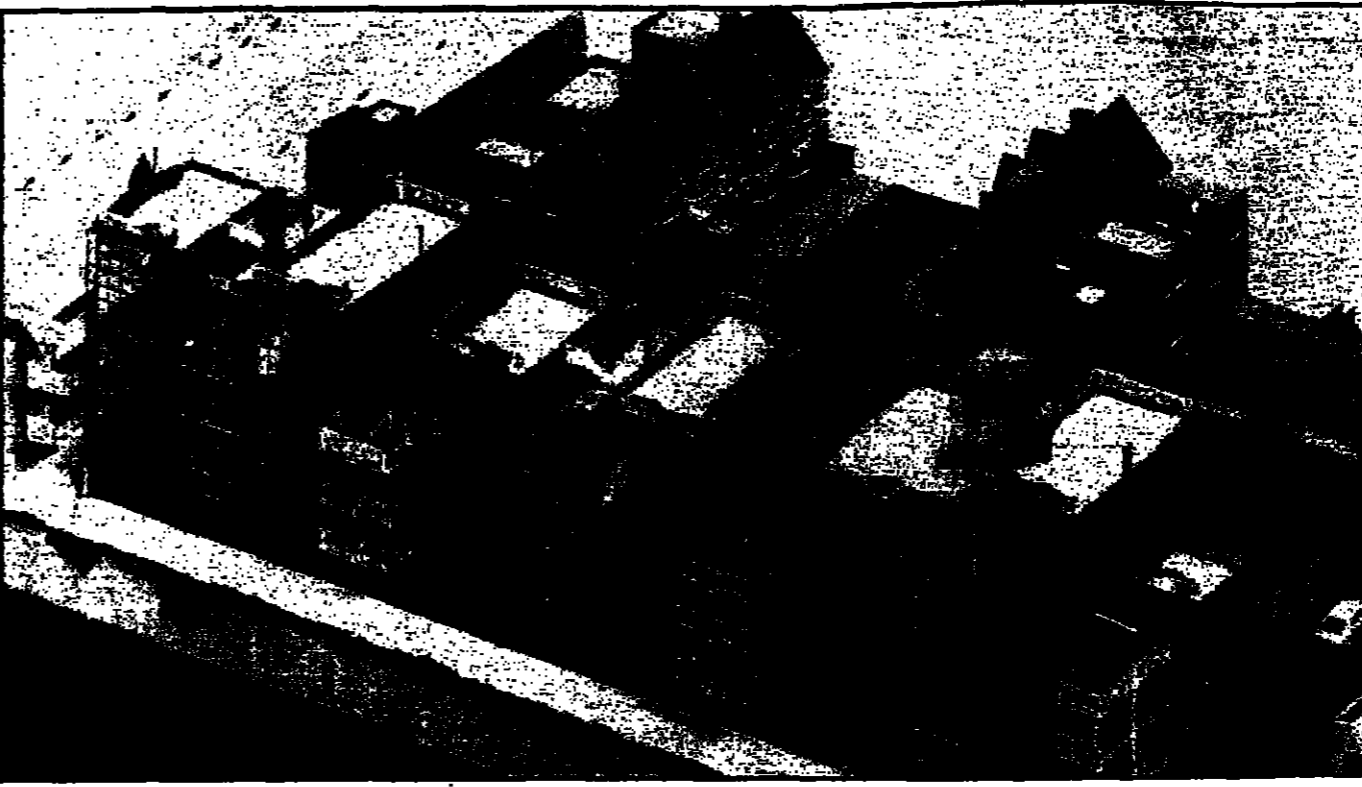
حکومت پاکستان

PROPERTY

Caroline Keely on the perils of renting out a house
Withdrawal symptoms

I ALWAYS suffer that pre-exam feeling in the pit of my stomach as I open the back door, never sure what I'll find—or not find. Will some child have scribbled on my walls? Will my pine furniture have mug marks on the surfaces and scratches down the sides? Will the crockery be smashed and the spoons vanished? Letting other people rent my home is a perilous pastime. So far my worst nightmares remain unrealised. It is irritating to be left no loo paper, or to find the washing-up liquid on its last air-filled squirt, but relief at what might have happened amply compensates. And rather enjoy the odd selection of donations (usually something I'm trying not to eat—two dozen curant scones was perhaps excessive, but the chocolate cupcakes evoked fond memories of childhood picnics).

With the first tenants I was, perhaps, over-conscientious, determined my cottage would seem the perfect rural retreat. Flowers filled every room. The furniture glowed from polishing. Fresh wholemeal rolls lay cooling on the rustic carved breadboard. As they stepped through the door, their senses were to be assaulted by the warm smell of beeswax and baking. In fact, waiting nervously for their arrival, fiddling in an already pristine kitchen and ever-conscious that the bucketing rain would bring in four pairs of wet feet and one small dark dog. I smashed a bottle of burgundy. As my first family crunched their way over the darkening flagstones I felt more like the landlady of a pub than of an idyllic country cottage. Since those early over-anxious days I have grown more detached. I no longer feel the need to welcome every new tenant personally and I anaesthetise myself from possible chaos when I return by employing someone to clean. I am sensitive about being the only "creeper" on my property. I wondered how the village would react. I need not have worried. A neighbour who makes a career of finding difficulties complained of an abandoned bialki top—"not what people in this village like to see"—but the one good rug and hide the few bone china plates at the back of the cupboard.



ALL EYES ON RIVER

NEWS OF a residential development by Richard Rogers (of Lloyd's and Pompidou Centre fame) will gladden the hearts of window cleaners in Fulham, West London. Developed by Cradock, all 25 apartments in the Thames Reach scheme, just down-river from Hammersmith Bridge and off the Fulham Palace Road, have 28ft-high double-glazed views over the river. John England & Partners (01-402 2333) and Savills (01-730 0822) have been selling the two and three bedroom units off the plans for between £165,000 and £225,000. Owners, who should be able to move in during January, get an underground garage, a 999-year lease and a share of the block's management company.

Scotland's National Trust is about to make its 100th acquisition. Alistair Guild reports

How history is brought to life

LATER THIS month, the National Trust for Scotland takes possession of its 100th property, the island of Staffa with its world-famous Fingal's Cave. Yet such an addition to the Trust's portfolio would have been unlikely without the generosity of Mr John Elliott Jnr, formerly chairman of Ogilvy and Mather, the international advertising agency, who provided most of the £175,000 purchase price. The NTS says it is no longer generally possible, desirable or indeed necessary for it to acquire country houses, castles or areas of wilderness. It already owns much of Scotland's finest buildings, landscapes and historic sites. But there are compelling financial reasons also. Last year, it had to defer £300,000 of work to trust properties, and it will now only take on large properties with an endowment sufficient for their upkeep. The trust is seeking more and more to concentrate on the presentation of its existing properties, to make them more accessible to the community and to improve its links with education.

A recent report on the Scottish curriculum highlighted the need for children to go outside the classroom to study social history. "We should see our properties as classrooms for all ages," said Mr Lester Borley, director of the NTS. At Culzean Castle, children are encouraged to act out that history. Boys dress up as servant lads and girls as maids. A more humble aspect of Scotland's past is presented in a Victorian tenement flat in Glasgow's West End. Furniture and domestic items are displayed as they were used by a family for more than 50 years. From the success of the tenement flat project has emerged the trust's interest in another aspect of social history—industrial archaeology. It bought a print works in the Borders town of Innerleithen, and is about to start raising funds for its restoration. Likely to cost £20,000, the property has a collection of working machinery, typecases, galleys and archival material going back 100 years. The trust is also negotiating the lease of a railway station at Dunkeld in Perthshire. It hopes

to create a museum which tells the story of the development of the Victorian railway in Scotland. The transformation of the station, which the trust anticipates would attract more than 100,000 visitors a year, is likely to be financed from a number of sources. One of the trust's most successful schemes has been running for 26 years, with the trust meeting nothing but administration costs. Since the introduction of the Little Houses Improvement Scheme, more than 200 small properties have been restored, with a current market value of £7m. Little houses were homes, work places and stores for merchants, artisans, shipmasters and fishermen. They are examples of vernacular architecture just as individual and native to Scotland as the castles and great houses of barons and lairds. In the past war years, they were being demolished in their thousands. The scheme, as introduced in 1980, used the concept of a "revolving fund." Then unique, it has since been copied by conservation bodies throughout the country. Houses are bought, sold with safeguards against the unsympathetic alteration, and the capital used to repeat the process. This method, with variations, continues to operate today. There are now four funds. The LEIS General Fund is worth £180,000, while three NTS/local authority funds have been added in Strathclyde, the Borders and Dumfries and Galloway. However, the scheme would not be feasible without subventions. Of these, local authority improvement grants are the most important. The trust also taps the Historic Buildings Council for Scotland for repair grants and local authorities for conservation funds. "The trust has provided the seed for the restoration of whole areas," said the scheme's administrator, Mr Neall Sharp. The trust has developed out of the scheme a service to market vernacular properties in need of restoration. It currently has 200 people on its books looking for houses to restore. "Because they are economically more viable, we are now turning our thoughts to prop-

At home in the country

John Brennan on the renewed demand for out-of-town houses THE ENGLISH country house used to be something that stayed in a family for generations. Death duties and Capital Transfer Tax cut into that tradition. Children leaving home earlier and setting up their own households earlier, plus heavy running costs finally consigned many a minor family seat to the care of a nursing home business or simple decay. But in the past ten years the demand for a home in the coun-

London Property

Advertisement for W.A. Ellis real estate agency, featuring 'Hans Crescent Knightsbridge London SW1' and 'FOR SALE' text.

Advertisement for 'Unity Wharf' in London Docklands, featuring a photo of the building and contact information for Vickers & Co.

Overseas Property

Advertisement for 'John Palmer' real estate agency, featuring 'Tenerife' and 'Amarilla Golf & Country Club'.

Advertisement for 'Monte Carlo' and 'Switzerland' properties, including details for Lake Geneva and Lugano.

Advertisement for 'The Boltons SW10', a substantial freehold property in a prestigious garden square.

Advertisement for 'Holland Park, W14', an important unadorned double fronted detached period residence.

Advertisement for 'Cardigan Street, SE11', a well-maintained and presented house in a quiet street.

Rentals

Advertisement for 'New - near Marble Arch for businessmen fully serviced luxury flats'.

Advertisement for 'Horner Hill Limited' incorporating 'Mays Rentals'.

Advertisement for 'Aylesford' real estate, featuring 'Elm Park Lane SW3' and 'St Georges Court South Kensington'.

Advertisement for 'Plaza Estates Rentals' and 'Redcliffe Meads SW5'.

Jackson-Stops & Staff

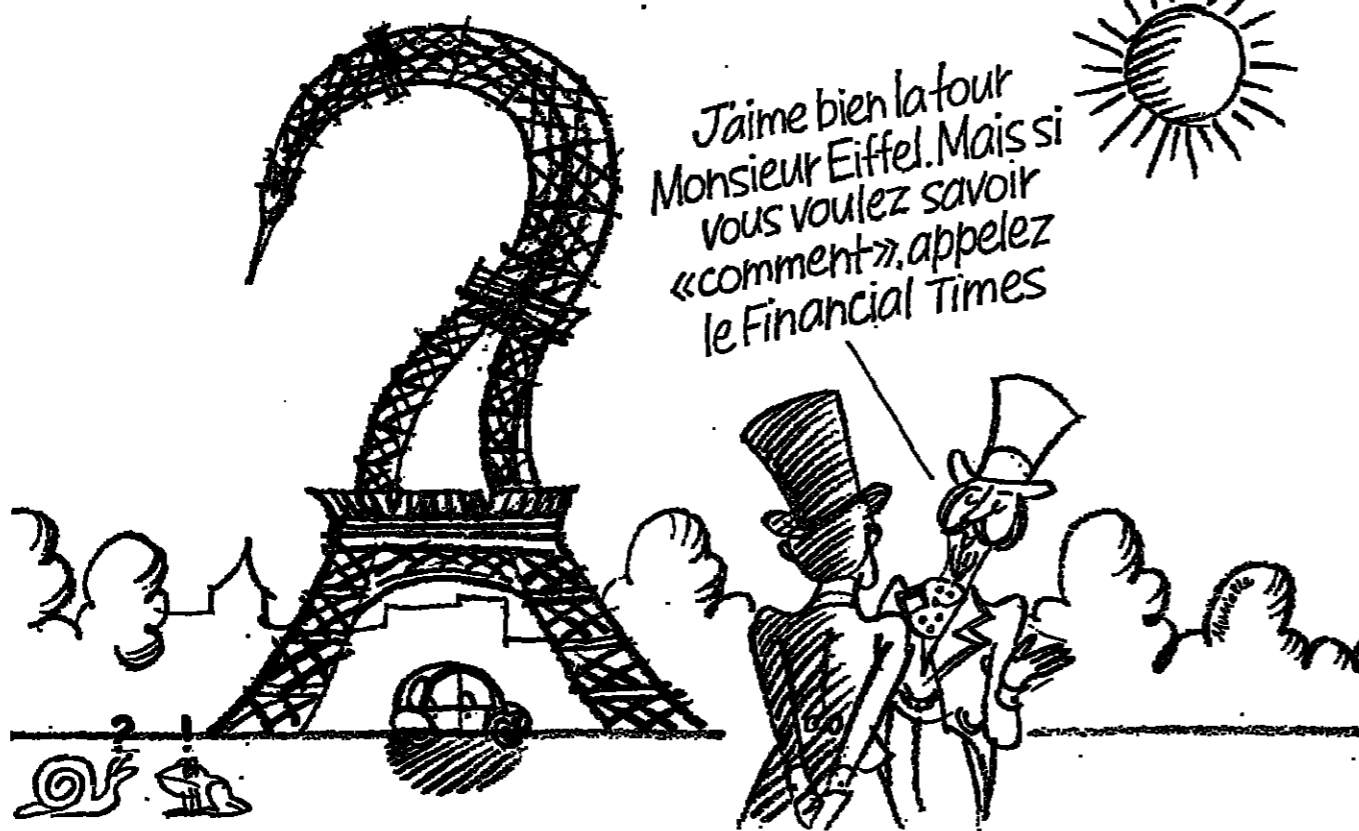
Advertisement for 'Porto Columbu, Sardinia', a very rare opportunity for a substantial developer.

Advertisement for 'Austria Schladming', featuring Alpine apartments available for sale.

X WEEKEND FT

INTERNATIONAL BUSINESS PHRASE BOOK: LESSON 1

When it comes to asking anything about international business information, the French have a phrase for it:



"Know FT, Know comment"

Or, roughly translated into English, "Know the FT, Know how".

Unfortunately, in Britain we tend to take our great institutions for granted. For example, when was the last time you visited the Tower of London? Or saw the Changing of the Guard? Of course you read the FT. But those pink pages are only the tip of an information iceberg. Did you know that you could ring one of our research staff to ask about British exports of sand to Saudi Arabia? Or get a picture of Mary

Pickford from our photo library? Or run a search on a Danish company selling pickled herrings? Or get the Yen/Dollar exchange rate for July 1, 1975? Or even commission a major market study?

The FT resource is designed to be a working tool for businessmen.

Or, as the French would say: "Know comment, Know FT".

Financial Times Business Information Service
The world of business information, on tap

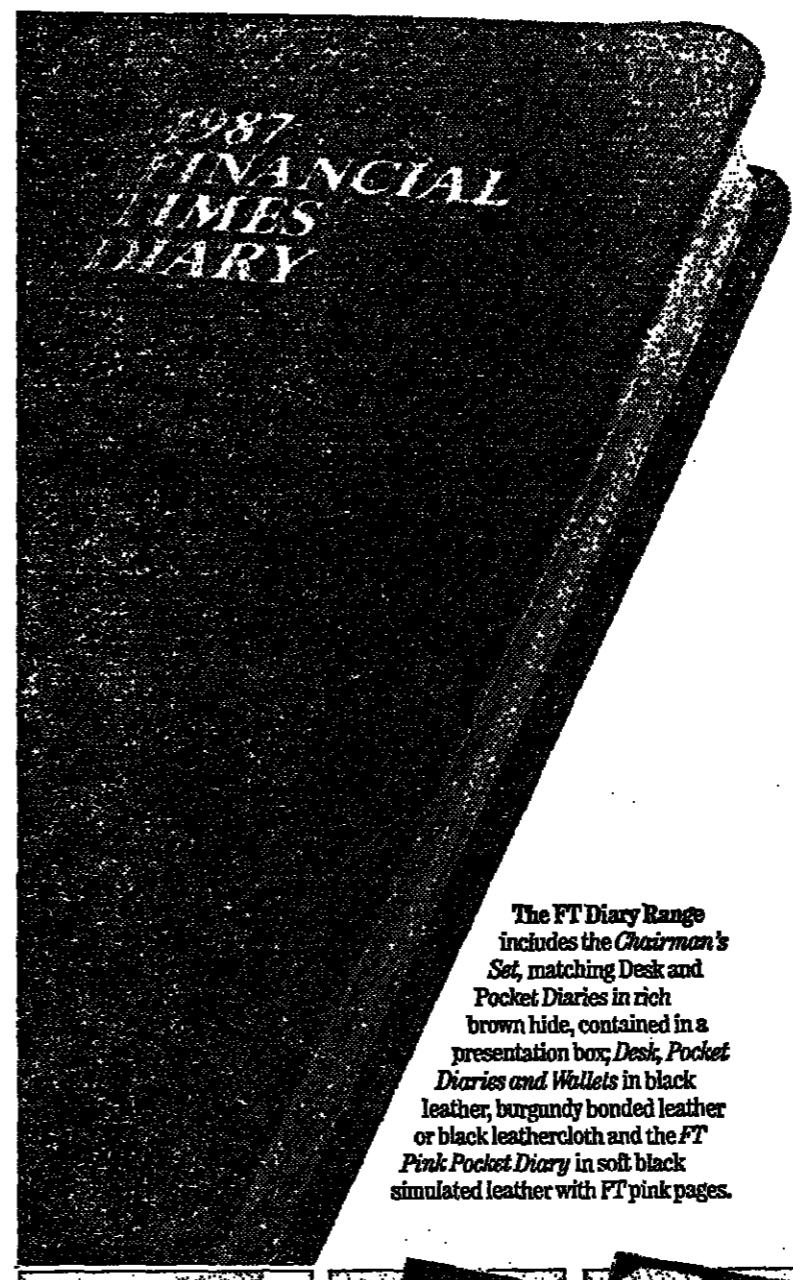
FT Business Information Ltd, Regd. address: Bracken House, Cannon Street, London EC4A 4BY. Regd. No. 980686.

To: Sarah Pebody, Room 405N, FT Business Information Ltd, Bracken House, 10 Cannon Street, London EC4A 4BY.

Please send me further information on the FT Business Information Service. BLOCK CAPITALS PLEASE

Name _____
Position Held _____
Company _____
Address _____ Telephone _____
Nature of business _____

Which Financial Times Diary will you choose for 1987?



The FT Diary Range includes the Chairman's Set, matching Desk and Pocket Diaries in rich brown hide, contained in a presentation box, Desk, Pocket Diaries and Wallets in black leather, burgundy bonded leather or black leathercloth and the FT Pink Pocket Diary in soft black simulated leather with FT pink pages.

To match your taste—and budget—there's a choice of cover bindings for your FT Diary. If you want the ultimate in quality and craftsmanship there's our top-of-the-range Chairman's Set, handmade from the finest hides, dyed to a rich brown. Produced as a limited edition, The Chairman's Set includes a matching pocket diary and comes in its own presentation box with a numbered certificate. Or, you can choose to have your FT Diary bound in Rich Black Leather, Burgundy Bonded Leather or Black Leathercloth. But the finish is just the beginning. You'll quickly discover that your FT Diary is the most practical, not to mention prestigious, aid to business efficiency. No other diary is so comprehensive, so well researched, so meticulously updated—of greater practical benefit to the business community. Then there's the FT Pocket Diary, expanded for 1987 including profiles of 26 international business centres, maps, lists of hotels and conference centres, restaurants, theatres and airports. In short, more information than ever before. And, if you want to stay ahead of the field, our new FT "Pink" Pocket Diary with its FT pink pages and unique landscape format, promises to be the most sought after pocket diary of the year. Of course, all FT diaries and wallets are available in matching finishes and can be personalised in gold with your name and initials. Here's one last thought. FT Diaries make the perfect corporate gift. You can have your clients' initials gold-blocked on the cover, or your company logo, or both. We can even make a "Special Edition" FT Diary with up to eight pages about your company bound in. And there are substantial discounts for orders over 25 items. It all adds up to the best possible business gift to benefit your clients—and your company.

Please send me further information about:

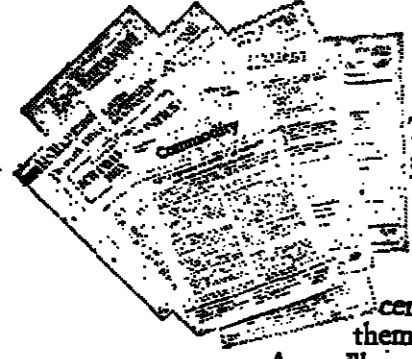
FT Diaries
 FT City Collection of exclusive leather luggage and business accessories
 FT Factmaster personal organiser/time management system

Name: _____
Company: _____
Address: _____
Postcode: _____
Position: _____
Telephone: _____

Telephone Celia Parkes on 01-623 1211 for information about the FT Diaries and other business gifts available from the Financial Times or use the coupon below.

FINANCIAL TIMES Diaries
FT Business Information Ltd, Minster House, Arthur Street, London EC4A 9AX

Financial Times Newsletters - vital news, analysis, predictions and inside information simply unavailable elsewhere



The Financial Times has a separate newsletter division which publishes twenty-six titles covering key business areas. You will almost certainly find at least one of them of direct interest to you. As you'll see from the list below, each of our regular newsletters has been designed to be of practical assistance to senior decision makers within a particular industry or profession.

FAST DELIVERY OF INFORMATION
Within hours of the last copy being written, the newsletter is printed and in the post—first class or airspeeded.

INSIDE INFORMATION AND PROFIT OPPORTUNITIES
Great emphasis is placed on providing you with information that can be acted upon immediately. You get comprehensive updates and news reports plus informed, analytical comment. Our editors are not shy in venturing their opinion and much of their comment contains uncannily accurate prediction. We often receive inside information from industry

contacts which has not been published elsewhere. Our reporting style is balanced and impartial with a nose for hard fact as opposed to suppliers' hype. Whenever relevant, our newsletters are indexed for ease of reference, and we are always pleased to supply a back-up research service to our subscribers. We will also supply you with a binder to store back copies.

FROM £15 A MONTH
FT Newsletters are priced according to their depth of coverage and frequency of publication. A typical monthly—such as Energy Economist—will cost £15 a month.

You are always covered by our Money-Back Guarantee. So you are free to cancel your subscription whenever you choose and receive a refund on all unmailed issues.

FREE TRIAL OFFER — ONE ISSUE OF UP TO FOUR TITLES!
In order to prove how useful FT Newsletters will be to you, we will be pleased to send you any trial issue of up to four different titles. You will bear no cost and be under no obligation. Why not send for your free trial issues now, while it's fresh in your mind?

BANKING AND INSURANCE

International coverage of the latest banking, financial and insurance events

INTERNATIONAL BANKING REPORT
Every two weeks, IIBR carries up-to-date banking news, trends and appointments with penetrating analysis of changes in the regulatory and economic environment of international banking.

INTERNATIONAL TRADE FINANCE
Every two weeks, IIF covers the very latest trade credit and insurance initiatives as they happen, providing an expert guide in this difficult area of business activity.

EUROMARKET REPORT
The latest facts and figures on US and international credit markets, medium-term financing, Euro-bonds and domestic markets are now available every week in EMR, together with exclusive information on upcoming deals.

WORLD INSURANCE REPORT
Organised into key news sections — Non Marine, Casualty/Liability/Accident, Marine, Aviation and Transport and The Markets — WIR is a truly international source for the industry's decision makers. Mailed every two weeks it regularly reports on investment operations, company mergers, takeovers and those technical developments which affect the insurance market.

THE FT LONDON POLICY GUIDE
Filling a significant information gap, this monthly FT guide analyses hundreds of direct policies in 24 major classes of insurance.

ENERGY

From fossil fuels to new power sources, this group of titles covers key aspects of the industry

INTERNATIONAL COAL REPORT
ICR provides concise information on finance, markets, prices—including its unique spot steam coal survey. It also covers everything from production to technological developments.

WORLD PETROCHEMICALS ANALYSIS
Regular features cover markets, government and company policies, distribution and the efficacy of new technology. Published every two weeks, WEA is essential reading for decision makers.

NORTH SEA LETTER
Now established as the most reliable and up-to-date source on North Sea oil and gas, NSL weekly reports include licence awards, firm-ups, financings and development plans, plus news of tenders.

THE FT ENERGY ECONOMIST
This monthly overview of world energy patterns is designed to help you form your energy strategy. The accent is on analysis, prediction and trend identification.

EUROPEAN ENERGY REPORT
Concise, comprehensive and analytical energy coverage twice a month gives EER a high profile among those concerned with commercial and technological changes in the world's largest energy market.

INTERNATIONAL GAS REPORT
IGR is a news and analysis service for the natural gas and gas liquids industry worldwide. With the aid of essential facts and statistics, it provides an insight into what makes the gas industry tick.

INTERNATIONAL TRADE

Country-by-country guides featuring economic forecasts and market opportunities in Europe, Latin America and the Middle East

All our international trade newsletters are geared to pinpointing business opportunity. In many cases, this means you receive detailed advice of contacts, requirements and tenders. Often, we publish information which is simply unavailable elsewhere.

MIDEAST MARKETS
Twice monthly, MEM surveys business developments in the Middle East and North Africa with an eye to profits and cost-saving opportunities.

EAST EUROPEAN MARKETS
Published twice monthly in association with the London Chamber of Commerce and Industry, EEM supplies the international business community with a full and accurate intelligence service for Eastern Europe.

LATIN AMERICAN MARKETS
As your own twice-monthly newsletter to Latin America, LAM identifies business opportunities and warns of danger ahead, giving you a unique perspective on how to operate in the region.

NEW TECHNOLOGY

A comprehensive global view of news and trends in every market

TELECOM MARKETS
Twice a month, TM meets the urgent need for hard news of the latest changes in telecommunications markets around the world.

ELECTRONIC OFFICE
Designed to ease the uses and potential users of automated offices twice a month, EEO is a reliable, up-to-date briefing on developments worldwide.

PERSONAL COMPUTER MARKETS
Providing you with valuable news and data you won't find elsewhere, PCM appears as a twice-monthly overview of the personal computer marketplace.

AUTOMATED FACTORY
Twice a month, AF will tell you what your competitors are doing and considers the risks and opportunities open to factory management.

NEW MEDIA MARKETS
NMM ensures that you are kept informed on the crucial news and trends in cable TV, radio, satellites, video, programme/film production and videotex, every two weeks.

COMPUTER PRODUCT UPDATE
Systems, peripherals, software and services are all brought right up-to-date in this easily comprehensible twice-monthly guide.

SOFTWARE MARKETS
Every facet of software development, marketing, integration and purchasing is covered by this exclusive briefing every two weeks.

FINANCE AND PROFESSIONAL

Taxation, accounting, the law — newsletters for businessmen and professionals

WORLD ACCOUNTING REPORT
As a monthly bulletin for professionals worldwide, WAR analyses every major accounting development thoroughly and lucidly, zooming in particular the activities of the IFAAC, IASC, IAPG, IEC and UIC.

BUSINESS LAW BRIEF
Monthly coverage ranges from public law, through commercial law, to anti-trust and trade regulations. Written in plain language for non-lawyers too it is sharply critical without losing objectivity.

WORLD TAX REPORT
Written by international experts keeping you briefed accurately and objectively on tax issues affecting business at every level, this monthly newsletter is the leader in its field.

FT MERGERS AND ACQUISITIONS
Every monthly issue records all mergers, acquisitions and buy-outs that have been reported in the Financial Times. Entries are appended by relevant articles from top FT journalists.

WORLD COMMODITY REPORT
WCR is a weekly review and analysis of trends and developments in the commodities markets worldwide, with special emphasis on trend-spotting and hard news.

Send now for free trial issues of the newsletters which most interest you...

YES, please send me a FREE sample copy of each of four, along with subscription details. I understand that I am under no obligation to take out a subscription.

NAME: MR/MRS/MS _____
POSITION: _____
ORGANISATION: _____
ADDRESS: _____

BANKING AND INSURANCE

International Banking Report
 International Trade Finance
 Euro-market Report
 World Insurance Report
 The FT London Policy Guide

ENERGY

International Coal Report
 World Petrochemicals Analysis
 North Sea Letter
 The FT Energy Economist

INTERNATIONAL TRADE

Mideast Markets
 East European Markets
 Latin American Markets

NEW TECHNOLOGY

Telecom Markets
 Electronic Office
 Personal Computer Markets
 Automated Factory
 New Media Markets

FINANCE AND PROFESSIONAL

World Accounting Report
 Business Law Brief
 World Tax Report
 FT Mergers and Acquisitions
 World Commodity Report

Send to:
Marketing Department
Financial Times Business Information
Tower House Southampton Street

PROPERTY

TRAVEL • MOTORING

The Golden Road to Samarkand

IF the sky fell, poets used to say, the domes of Samarkand are so blue that people would not notice the difference.

We looked out of our window high in the main hotel. There was the dome of Tamerlane's tomb. There were the domes of the 500-year-old Registan square, and there the domed mosque of Bibi Khanum.

Samarkand goes back a long way, perhaps 2,500 years, a trading centre where mountain meets desert on the old Silk Road to far Cathay.

empire in the 14th century from the remnants of the Mongol territories across Asia and then, unlike other nomads, settled down and brought captured artists and craftsmen to rebuild Samarkand as his capital.

Inside, the intricate geometric decoration is being restored more successfully, with papier mache, Tamerlane himself is buried at the feet of his favourite teacher.

comes from internal courtyards instead.

Women, some veiled, walk through the streets with baskets on their heads and families in tow. Children in corners play with footballs and skipping ropes.

More blue domes mark the Shahi Zindeh mausoleum complex, a small street of tombs where Tamerlane's friends and relations lie buried along with (supposedly) a cousin of the Prophet himself.

Not far from the Gur Emir, just off the clamour of the main road, we found peaceful Registan square, Samarkand's other historical marvel.

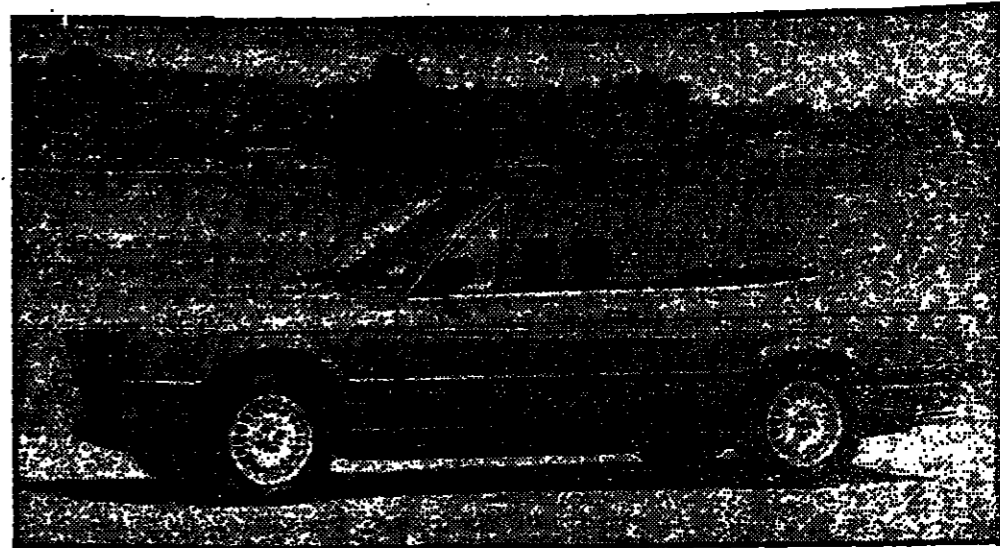
the architect had perfected the curve of the entrance arch, heaven took it for a new wonder, and bit its finger in wonder.

The hotels were not posh but comfortable enough, and their bars closed in the afternoon just like home.

John Westbrooke

and big yellow buses. We tried to imagine Marco Polo picking his way through the jam on the way to the main market.

We travelled with a guide from the state Intourist organisation, a friendly unbureaucratic woman who, when a flight looked likely to be grounded by fog, promptly rounded up a bus and driver just in case.



The BMW 325i convertible; a perfect car in which to enjoy open-air motoring

Enjoy the open air

IT WAS perfect weather for open-car motoring and the new BMW 325i convertible was an ideal car to enjoy it in.

I had not driven an open car for more than a year — long enough to have forgotten the joy of smelling wild thyme and new mown hay, and to notice how much cooler it is a 4,000 ft than down in the valley.

BMW seems to have achieved the near impossible with the 325i convertible, its first fully openable car in 30 years.

To lower it, there are no zips or press studs to struggle with; just a couple of clips at the top of the screen to undo.

With the side windows, which are electrically operated, fully raised, the wind noise is perfectly tolerable at motorway speeds.

Soft top cars converted from hatchbacks — the VW Golf is a prime example — can have very small boots and not much rear passenger space, but the BMW is a proper four seater with boot room for two large cases and much else besides.

There is no roll-over bar to bring down the body or protect the occupants should the worst happen but the 325i convertible does not shake or flex over rough roads.

It drives like any other BMW 325i, with a super-smooth running in-line 6-cylinder that puts out 171 horsepower at 5,500 rpm and prefers being driven like a sporty 4-cylinder than normal metal for the wind-screen frame which should offer some roll-over protection.

I doubt that many buyers of the 150 examples of the convertible due to reach Britain this year will have continuous high-speed driving in mind.

with a big and long-legged executive-style car in the garage, a 325i convertible would be the perfect companion.

Like every big performance car, the M5 is not heavy, the ride comfort is little affected by the 50 series Pirelli P700 tyres and the power steering makes slow driving and parking effortless.

The M5 is created by BMW's Motorsport subsidiary, which takes a body shell from the factory and hand builds the car around it.

With power steering, sports seats and electric windows standard, the 325i convertible costs £16,495 with 5-speed manual gearbox.

Having sampled the delights of the soft top in France, I took BMW's latest saloon supercar into Germany next day. The M5, with a top speed of 153 mph and 6.2 second 0-60 mph time, is claimed to be the fastest 4-door saloon available in Britain.

The autobahn from Muhlhouse to Karlsruhe should have given me an opportunity for a pipe-opening blast in the M5 but it was as crowded as the Southern arterial on a Sunday.

had to go on fairly hard. If perfection is driving a M5 on a deserted autobahn, frustration is trying to enjoy it in a mobile traffic jam at 60 mph or so.

Off the autobahn, it demonstrated that it is possible to combine tigerish performance with the utmost gentleness. In town, the M5's 24-valve, 286 horsepower 3.5 litre in-line 6-cylinder held fifth gear down to 30 mph without protest.

The M5 is created by BMW's Motorsport subsidiary, which takes a body shell from the factory and hand builds the car around it.

With power steering, sports seats and electric windows standard, the 325i convertible costs £16,495 with 5-speed manual gearbox.

Having sampled the delights of the soft top in France, I took BMW's latest saloon supercar into Germany next day. The M5, with a top speed of 153 mph and 6.2 second 0-60 mph time, is claimed to be the fastest 4-door saloon available in Britain.

The autobahn from Muhlhouse to Karlsruhe should have given me an opportunity for a pipe-opening blast in the M5 but it was as crowded as the Southern arterial on a Sunday.

Stuart Marshall



The Registan architectural ensemble: the heart of ancient Samarkand

WE WERE, the Mexican ministry of tourism informed us, "hostages in paradise." If Acapulco was paradise — this city of high-tech hedonism and Latin low-life, of lowering hotels and huddled slums — then maybe hell had a bad press.

But then it's all a matter of taste. And Acapulco is very much to the taste of the North Americans who have helped to make it their own luxury resort.

Rambo (aka Sylvester Stallone) has a fortified holiday home here and Howard Hughes, that other American folk hero, rented the penthouse floor of the Acapulco Princess Hotel.

quintessence of Acapulco fantasy: a pleasure palace where you can swim through a waterfall and order your strawberry daquiri from a bar in a cave or walk across a swing bridge to another pool.

Hughes, fearful of human contact and obsessed by germs, presumably shunned these pleasures. He could, however, brave the bacilli and stare down the cascading terraces of flowers to the teeming reception area below.

But to see Acapulco at its best you have to leave it, preferably after dark. The Acapulco, which claims to be the world's largest sailing catamaran, is one of several boats offering moonlit cruises round the bay.

Pacific coastal resort visited by Tianguis delegates before the conference, lays its own claims as a paradise of sorts.

The capital of the state of Jalisco, Guadalajara is the home of tequila and of the rumbustious mariachi music. Appreciation of the latter is enhanced by consumption of the former.

But there is more to Mexico than pools and beaches. There is food (excellent, but come prepared for the Zapotec Two-step): there are the prices (low), and the people (warm and attractive), as well as a rich cultural heritage.

Expressionism, they are a delight.

As for paradise, the nearest we got to it was Yelapa, a small island two hours by boat from Puerto Vallarta.

TRAVEL DETAILS: American Airlines flights from London to Acapulco start from £630 return; to Guadalajara from £576 and to Puerto Vallarta from £569.

GUIDE BOOK: The Rough Guide to Mexico by John Fisher (£5.95, Routledge) and Regan Paul, 381 pages) provides street plans, invaluable practical information and historical background.

Annalena McAfee

Purgatory in paradise

BRIDGE

HANDS which seem quite ordinary can give rise to interesting situations, demanding skill and resource. Here is such a hand from a rubber:

South dealt at a love score and bid one heart. North said one spade. South rebid two no trumps — not ideal because of the diamond weakness — but acceptable, and North raised to three. This was quite unjustifiable with only six points and a suit that was not really workable.

Sitting West, I led the diamond king, followed with the queen, and a third diamond was won by dummy's ace. The spade three was returned, and when my partner played the ace, South dropped the five.

The forced club return not only gave declarer an extra trick in the suit but gave her access to dummy, to make the spade ten for the ninth trick.

My partner, a good player, could have avoided this fate. After taking his spade ace, he can afford to return a club. That gives the extra trick, but it gives access to dummy when it is of no real advantage.

Both sides had a part score of 60 in the first game, when East dealt and bid one spade:

As the opposition was not strong, I bid a flag-flying three hearts. East doubled, and all passed.

were poor, but I led a club to the table. West won with the ten, and led a heart, on which East played the king, which I felt sure was a false card, and I won with the queen.

East won a second club with his queen, cashed the spade king, then led the ace of clubs to make dummy ruff, and so protect his trumps from finesse. I returned a diamond from the table to the ten, king, and ace. West won, though she should have ducked. She now made a bad error by leading the spade nine, covered by ten and queen, and ruffed in hand.

E. P. C. Cotter

adjustments on the following days and Sundays free. Front and middle spectator seats are bookable in advance, and rear seats will be available on the day of the game.

Who will win the championship? In their controversial 1984-85 series, Karpov led 4-0 after only nine games, was 5-1 after 46 games, then lost two in a row before FIDE President Campomanes declared the match ended without decision.

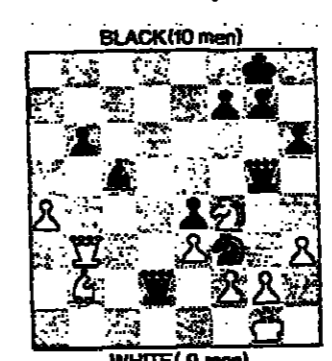
THE THIRD world title match between Gary Kasparov, 23, and Anatoly Karpov, 33, starts tomorrow with a resplendent opening gala sponsored by merchant bankers Duncan Lawrence who also back the England Olympic team.

37 per cent to the loser of the overall series. But Kasparov announced some weeks ago that he would be donating his prize to the Chernobyl disaster fund, and after a few days hesitation Karpov followed suit.

Who will win the championship? In their controversial 1984-85 series, Karpov led 4-0 after only nine games, was 5-1 after 46 games, then lost two in a row before FIDE President Campomanes declared the match ended without decision.

World chess title matches began in 1886 when the phlegmatic Wilhelm Steinitz defeated

Zukertort. Until 1948 the champions chose their own challengers, with the size of the purse a major determinant, and this led to gaps of up to a decade between challenges as well as several mismatches.



Sunye (Brazil) v Kasparov (USSR), Brazil 1981. World champion Kasparov's imaginative eye produced this diagram. White, with his king in check, must win the puzzle is to decide what would have happened after 1-K-R1. The answer is not easy, and a test of tactical flair.

Travel

COLUMBUS TRAVEL SERVICES. STAYING IN LONDON? Take a luxury holiday in Spain...

Motor Cars

1975 ROLLS SILVER SHADOW. One owner, 30,000 miles. Excellent condition. £11,000. Tel: 01-232-2222.

Art Galleries

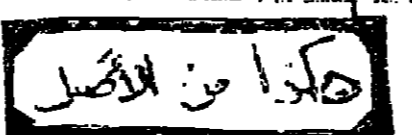
MARLBOROUGH, 6, Albemarle Street, W1. Paintings and Sculpture. Tel: 01-232-2222.

Company Notices

HOPE STREET FUND S.A. Notice of meeting of shareholders. The quorum required by law...

Contracts and Tenders

TENDER FOR RESTAURANT/LOUNGE CONCESSION. The Point Salines Intl. Airport (PSIA). ST. GEORGE'S, GRENADA, WEST INDIES.



PROPERTY

DIVERSIONS

Archaeology: Gerald Cadogan continues his reports on his latest dig in Cyprus

One the grave robbers missed

KALAVASOS, near Maroni where we are digging, held an unusual village festival last week. It was chaired by the village president and about 100 gathered for a combination of instruction and a village party organised with a style and gusto not known in the British countryside for decades.

They were talking to locals about local sites in their region. Dates ranged from Neolithic to Hellenistic times, a span of 8,000 years. What had we found? Why was it important? There was no time for scholarly prevarication. The villagers have a good idea of what we find. But for the first time it was all being put together, in less than an hour.

I wish I could imagine such an event in Britain: beef, beer and barrows in Avebury, perhaps. It was an impressive and thoroughly enjoyable way to hear—and impart—archaeology. The audience knew all too well the country where the ancients lived. There was every reason to be proud of what had been found, and to stress the need for reporting finds—and not doing illicit excavations to try independently to rival the 15 oz of gold jewellery found in a tomb at Kalavassos in 1954.

The plan of our grand ashlar building at Maroni grows fast. The north end turns out to be divided into small rooms, with a floor which rose through accumulation of debris: something we have not found elsewhere in the building. There is much fallen plaster, a hearth with animal bones, copper furnace lumps and some loomweights. The loomweights held the threads taut on vertical looms. They are of clay and several have incised signs, whose meaning is still a mystery.

With loomweights one looks for concentrations to know where the loom was. In the loomweight basement in the palace of Knossos there were over 400 of them. We do not have anything like so many. But we are finding more carbonised olive pips and more shards of vases imported from Mycenaean Greece, possibly in exchange for Cypriot copper. A tantalising fragment is from a 14th century BC krater (mixing bowl for wine and water) with part of a chariot procession scene on it. Cypriots loved to be buried with these vases, which came from the Argolid (where the originals of such scenes could have been wall paintings).



Sifting and sorting: progress at the Maroni dig

Wine Dreary Victoria values

THE BIGGEST chain of high street off-licences, Victoria Wine—with more than 850 branches—has arranged a tasting of its 15 most popular wines. It provided an interesting insight into the current public taste in wine.



I cannot pretend to have been enthusiastic about most of these wines, but such is the competition at the down-market end of the high street wine trade that selection is nearly always dominated by price. On the £1.99 70 cl bottle of wine, the duty and VAT amount to nearly 5p, which does not leave much for the wine, the bottle, the transport and the profit margin. You get what you pay for—and it is worth paying rather more.

IN SUMMER my taste for red meat diminishes. As the temperature creeps up I find the lighter taste of white poultry suits me better and fish seems more appealing than ever. Chicken carcasses and fish heads and bones in plentiful supply mean that stock-making becomes a frequent and routine ritual at this time of the year.

Cookery White and light



To make the garnish, put 1 heaped teaspoon each coriander and cumin seeds into a small frying pan and toast over medium-low heat until the spices are aromatic. Pound the seeds lightly with mortar and pestle and mix them with the chopped hard-boiled egg.

ANIMAL fables are out of fashion; nowadays, no one thinks that birds and bees can prophesy. The animal kingdom is not to be confused with humans. Yet, in the past few weeks I have begun to wonder. Portents are appearing everywhere and perhaps you can help me to read them correctly.

guarding one entrance through Oxford's City Wall. His collapse brought on to the premises a tree doctor, who promptly ordered that a second fellow would have to be phased out, too, another chestnut who had been quarantined in another entrance through the wall.

admirably suited to academic life. They are also a protected species, so the cut had to stop while the nuthatches sorted out their problems.

recently changed our leader, but harmony prevailed and I cannot think that the omen concerns that. Rather, I note from their stings that the bees are busy members of the European breed. The zoologists also tell me they are all females.

Wilder flights of fancy that

Halfway down the tree trunk, as the chain-saw was taking a rest, the air was broken by frantic sounds. Out from the bark flew a pair of nuthatches, parents of a young and immobile family. The nuthatch, says my bird book, is a "shy, unassuming character, inconspicuous in his surroundings and gifted at entering his habitat through a back route unobserved."

Robyn Lane Fox finds strange portents and takes an academic interest in their meaning

Chiswick Eyot in a setting as rural as any Sussex village, yet only one street removed from the roaring traffic of the Great West Road. Next door is Strawberry House, home of the Countess of Rothes and another exquisite garden and plants, not seeds, for sale.

What little effort you put into making stock is rewarded one hundredfold: the difference good stock can make to cooking is really revealing. If you don't believe me, try making the same recipe on consecutive days, once using a stock cube and once using the real McCoy.

tomatoes; half a large cucumber; 1 tub Greek ewe's milk yoghurt or generous 4 pt low fat yoghurt; 1 hard-boiled egg; a few coriander leaves and seeds; cumin seeds; salt and coarsely ground black pepper.

Chill the soup well before serving. If good jelly stock was used to make the soup, the soup will set to a soft jelly if refrigerated for several hours so you may need to whizz it in a blender again just before serving to give it good spooning consistency. I sometimes add 4 or 5 tablespoons unjellied stock or water at this stage.

LATE July might seem an odd time to write about peonies since they are not in flower. Nor is it time to plant them unless obtained, well established, in containers.

two private gardens was the beauty of the foliage and seed pods. In one, the species was Paeonia mlokosewitschii, a lovely Chinese plant that I know well and have long been recommending for its flowers and foliage. It is herbaceous but differs from all others of this type in having primrose yellow flowers, large and goblet shaped with a central tuft of golden anthers, and the leaves are a delightfully cool and restful grey-green covered in short, soft down. The fat three-parted seed pods displayed well above the leaves match them in colour.

me, although I must have read its name in erudite garden books such as Graham Thomas's excellent *Perennial Garden Plants* (published by Dent). It comes from the Balearic Islands and is called Paeonia cambesedenii. It is another herbaceous kind and, I am told, has fairly ordinary rose pink flowers, but the stems and seed pods are crimson and the leaves a very

make roots of its own above ground of the herbaceous peony and that this will make it a much more permanent and vigorous shrub. At Walpole House I was shown a fine old plant of a tree peony that had been grown from a division, a reminder that some forms of the plant do form suckers freely. It might be possible to raise a race of tree peonies with this characteristic, which would be reproduced cheaply and reliably by detaching rooted suckers. It could change the future of these beautiful shrubs as garden plants.

Professionals offer plain horse sense

PEOPLE keep asking me how to prevent their daughter's pony paddock from becoming a jungle of weeds and rank grasses interspersed by small patches of grass growing in the very soil. There is no easy answer. It is all to do with the physiology, and perhaps the psychology, of the equine species.

twigs but seldom attack the bark. The first rule for a horse paddock is to make sure that the live hedge is protected by wire or a post-and-rail fence to ensure that the animal doesn't eat its way out. It is a duty in law for every animal owner to fence against his own stock.

farm house and mixed them with sheep and calves. I controlled the pasture growth by the stocking rates and found that the horses did not mind grazing the mixed sward. But occasionally a horse—or more often a pony—develops aggressive tendencies towards other livestock, picking up calves and lambs by the scruff of the neck and galloping around with them, or trampling lambs to death.

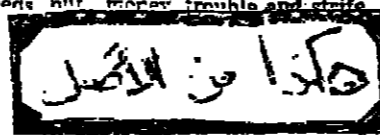
easily drift and murder someone else's roses or cabbage patch. If I were maintaining a good horse paddock I would institute regular cutting with a scag mower so that the weeds never go to seed and this would have the added benefit of scattering the dung. However, it is doubtful if offspring can be persuaded to do all the hard work needed to keep the paddock tidy.

Although this has always been a connoisseur's plant and relatively unknown to the general gardening public there is no reason, other than its impossible name, why this should be so. It is easy to grow and someone should really break all the botanical rules and give it an English name that everyone could remember and pronounce.

deep green. Thomas describes it as "for picksome people," a curious phrase but I know exactly what he means. Should you have an overwhelming desire to possess it, I can only suggest that you try to be in London on one of those days late in April or early June when Walpole House in Chiswick Mall is open to the public in aid of the National Gardens Scheme; for that was where I saw it and its owner, J. H. Walpole, sold me a packet of five fat seeds for a very modest price. He collects them and other seeds to sell for charity.

There is a contradiction in the Bressingham plant labels for tree peonies that requires some explanation. The wording reads "Protect from spring frosts. All varieties are fully hardy." We are back at our old difficulty about the meaning of hardiness. The woody stems of these tree peonies probably are proof against any cold likely to be experienced in Britain, but the young growth is certainly not and can be damaged severely by spring frosts. In China, no doubt, the seasons are demarcated clearly and tree peonies remain dormant until all danger of frost is over. In Britain it is quite different. Alternating spells of mild and cold weather encourage premature growth, sometimes with disastrous results.

Country Notes



DIVERSIONS

The wrinkle is a goddam serious disease. The anguish wrinkles cause is worse than heart disease. Who gets up every morning and worries about cancer? But everyone worries regularly about wrinkles'

Read between the lines

BEAUTY treatments used to be devised by poets. Remember Ovid's far from alluring-sounding potion, designed to make a woman's face "glow, smoother than her mirror". Early softeners in beaten eggs pulverised with stag horn, narcissus bulbs crushed to pulp all mixed together with spume of red niter (whatever that might be). Today, except for that dwindling band of women who use nothing but soap and water, our complexions are in the hands of the cosmetic houses, who could have taught Ovid a thing or two about imaginative ways with words.

Some may think such concerns frivolous but even Dr Albert Kligman, professor of Dermatology at the University of Pennsylvania School of Medicine and not universally loved by the cosmetic houses, thinks ageing skin a very valid worry. "The wrinkle," he says, "is a goddam serious disease. The anguish wrinkles cause is worse than heart disease. Do you know anybody who gets up every morning and worries about cancer? But everyone worries regularly about dry skin and wrinkles."

aimed at dealing with damaged skin emerged about eight years ago and these could broadly be called the ones based on cellular renewal (La Prairie brought out the first one, since then we've had Elizabeth Arden's Millennium, Vichy's Vichydera, Lancôme's Progres, Estée Lauder's Night Repair Cellular Recovery Complex and many more). The theory behind work by causing minute, sub-clinical irritation, that this irritation leads to a slight oedema or swelling, which causes the skin to look plumper and thus younger.

The cosmetic companies, needless to say, dispute this. They point out that so far there is only very non-specific research and that no company with an international reputation at stake would dream of putting on the market anything that they knew caused damage. Bail in Dr Kligman's court.

different but it is based on the same technology that is behind the cellular-renewal creams that have been around for years." At £150 for an introductory facial kit of five products I guess most people were hoping for something more exciting.



Lucia van der Post

sculpties still unproven, still believing it is all no more than a confidence trick, designed to play on women's insecurities and part them from their hard-earned money. Me, I prefer the life which is that those who take trouble, look an awful lot better than those who don't.

What has made it so much harder to decide is the arrival on the scene of a new breed of hi-tech products. The white-coated men in secret laboratories have taken over from alluring women like Helena Rubinstein and Elizabeth Arden who headed the old-style empires selling glamour and gloss. Today call rejuvenation, free radicals, DNA and anti-ageing are the buzz words. It's all very serious stuff.

The other trouble is that most of us have been systematically abusing our skin for years (the anti-sun lobby is fairly new) and much recent research has focused on how to repair damage already done.

The first serious products

As one knowledgeable expert in the beauty field said wryly: "While it is a perfectly efficacious cream there is nothing new about it. The active ingredients may be slightly

For these new breakthroughs



SOME of the totems of youth culture on show in the Boilerhouse's latest exhibition, British Youth Culture. Left: Dr Martens boots and shoes, originally devised as an orthopaedic aid, became an enduring part of teenage style—authentically working-class, comfortable and affordable. Right: leather jackets besides offering protection from the weather became symbols of rebellion and non-conformity. When Marlon Brando wore a black leather jacket in "The Wild One" the association between

bikes, leather and bad boys became inextricably linked. For the mods, who scorned the rockers' bikes and leather jackets as dirty and fashioned the Lambretta, originally designed for the newly mobile workers of the Italian reconstruction, seemed to meet their needs. Levis, olive green parkas and Hush Puppy shoes became standard mod wear for riding the Lambretta. The "Edwardian Look," misappropriated by the Teds in their search for sartorial significance was typically mixed with elements of cowboy style.

When you're young at Art

THE LAST of the Boilerhouse exhibitions in their present home at the Victoria and Albert Museum opened this week. Its title, British Youth Culture, sounds rather like somebody's dusty thesis but it is, in fact, a typical Stephen Bayley production—lively and provocative, bound to raise eyebrows if not hackles, but never a dull moment.

us are prepared to accept the Bayley view—or, at least, give him the benefit of the doubt. When it comes to youth, we all have a view. What we have here is youth treated as some ghetto specimen, as a quite separate part of the human race, defined almost solely in terms of spending power and consumer patterns. This is youth where the most meaningful moment comes when a purchase is made. This vision of a world where "meaning, no longer confined to art and literature, was transferred to patterns of consumption" is not one I recognise.

tells us, who, while still a teenager himself, "invented" the notion of the teenager—before that years merely the young. While his 19-year-old Eugene Gilbert made a fortune from his little aperçu. He set up shop as Gil-Bert Teenage Services, offering insider information on how to sell more goods more efficiently to fellow inhabitants of his teenage ghetto. Today it would be called niche marketing.

of the objects identified as belonging to the youth cult are not of extraordinary interest or value. While Bayley (by Helen Rees) do not have some very illuminating things to say. Like all of Bayley's enterprises, it has verve and vivacity, and to keep our interest in an area where all about us are losing it is to say a very great deal. He has managed, in his years at the Boilerhouse, to take a subject as potentially stodgy as design (which has a remarkably facility for turning-off otherwise upright citizens) and make it into quite a hot potato.

A NEW category of items has recently crept into the London auctions: luggage containers of outstanding quality. In their sale of July 29, for instance, Christie's South Kensington includes a pigskin zip-up bag, a crocodile suitcase and three trunks made by the firm of Louis Vuitton which are estimated to realise as much as £700 each. Three more Vuitton cabin trunks appear in Christie's costume sale of August 19. It is anyone's guess whether the potential buyers are collectors, or travellers who want quality but cannot afford Bond Street prices.

elaborate wardrobe trunks. Baggage was made to shipping line standards: until the Second World War shops supplied what were called "P & Q and Orient Regulation Trunks," with a standard depth of 14 inches, calculated to fit under the cabin berths. There were likewise Pullman standard trunks and cases.

to this day, with more than fifty shops around the world. In 1837, as a penniless 16-year-old Louis walked from the provinces to Paris, where he was apprenticed to a trunk maker. As a young man he had the job of packing for the Empress Eugénie; and it was said that her crinolines emerged without

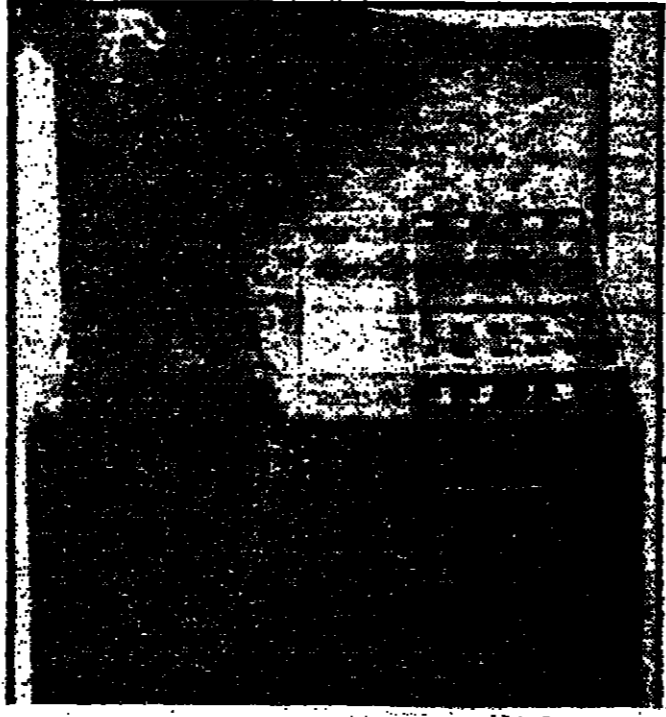
extravagant dressing case of crocodile lined with sealskin and fitted with gold crystal and tortoise-shell was exhibited at the 1925 Paris Exposition des Arts. Decoratifs and later dedicated to the opera singer Marthe Chenal.

to the 1870s, with a very low registration number. (All Vuitton cases carry a number, and owners have a single key which fits every piece of their baggage.) It is covered with striped material, but the original compartments are missing, which is why it is only estimated at £150-250.

Other surviving Vuitton custom jobs include a trunk with individual drawers to hold 56 pairs of shoes, made for Lily Pons; and Leopold Stokowski's travelling trunk, which opened up to reveal bookshelves, special receptacles for documents and scores. Type-

Upmarket bag ladies rule OK

Collecting



COWSLIPS
Primula Veris
The true wild golden yellow sweet fragrant British cowslip (grown from seed) for planting 1986 to flower spring of 1987. Enjoy these wonderful primulas in your own garden and help to preserve our wild flower heritage.

OXLIPS
Primula Elatior
The true wild primrose yellow sweet fragrant British oxlip this being a cross between the primrose and cowslips. C. E. Enderson & Son are now booking orders for delivery during July. Post paid to include their list containing over 50 wild flower seeds, and a number of wild flower plant varieties. 12 plants £4.50, 24 plants £8.00, 50 plants £17.50, 100 plants £34.00. Special quotations for large planting programmes. Nursery trade enquiries invited.

LEYDENS NURSERY, HARTFIELD ROAD
EDENBRIDGE, KENT TN8 5NW

Customers able to visit the nursery will normally find that they are able to purchase at lower prices for collection

PHOSTROGEN
Accepted by millions as THE WORLD'S BEST PLANT FOOD
Versatile, economical. For root and foliar feeding everything that grows in the garden, greenhouse and home.

LEAFLETS: SAE PHOSTROGEN, P.O. 34, CORNW. GLWYO.

OLD FRIENDS
DOES LIFE BEGIN...AT 40?
MARRIAGE, FRIENDSHIP or COMPANIONSHIP
the introduction Agency for the 40s, 50s and 60s

Detail: Anne Brent
18e Highbury New Park, NS 5DE
Tel: 01-226 5432

REPRINTED BY POPULAR DEMAND
Send for details now:
Y.Z. BOOK CO.,
c/o JAY DISTRIBUTION
PINDAR ROAD
HODDESDON, HERTS.

BAGHDAD COOKING

سكنا من الأض

WEEKEND FT

SPORT

Racing

That Shergar feeling

by Michael Thompson-Noel

DANCING BRAVE is the bigger of the two, at 1,075 lbs, versus Shahrastani, 930 lbs. But at £16m versus \$14m, Shahrastani is more valuable. For lovers of the pocket calculator, therefore, to-day's big race at Ascot—the King George VI and Queen Elizabeth II Diamond Stakes—will pitch one great racehorse, Shahrastani, worth £16.942 per pound, into epic combat with a rival, worth £13,023 per pound, in what promises to be one of the most engrossing mile-and-a-half frontiers seen on any British racecourse for more than a decade.



Shahrastani pips Dancing Brave at Epsom

Shahrastani, at Epsom, and even before his death, Shergar was a legend, being ranked by those who know as among the finest thoroughbred racers ever. To date, Shahrastani is undefeated as a three-year-old, having won the Guardian Classic Trial at a mile-and-a-quarter, the Dante Stakes (11m), and the Epsom and Irish Derbys (both at 11m). His greatest rival, Dancing Brave, has won the 2000 Guineas, at a mile, and the Eclipse Stakes (11m), his only defeat, by half a length at Epsom, being inflicted by Shahrastani. Today's big question, then, is whether the blistering speed, which is easier to view to-day's great race through the eyes of Prince Karim Aga Khan, owner of one of the

1978—was cagey after Epsom, saying that Shahrastani was a fine colt and had won on merit but was "no Shergar." This was understandable. One of the reasons the Aga appointed Stoute was that Stoute doesn't over-estimate the ability of his charges, an important consideration for an owner with such extensive breeding interests as the Aga. Yet three weeks later, after Shahrastani's shattering fine win in the Irish Derby, Stoute was nudged to the view that Shahrastani was a champion who "must be looked at in the same class as Shergar." Further evidence was vplanted by jockey Walter Swinburn, who said that when Shahrastani won in Ireland,

Cricket

The great loner



Boycott... never one of the lads

out of seven Test matches as England captain, would later be dismissed by Yorkshire and end his career with Somerset. Ray Illingworth was another successful England captain, but not until he joined Leicestershire. And there was Freddie Trueman, a veteran of many clashes with both the Yorkshire and England establishments. Boycott was never one of the lads, never able to laugh at his troubles over a pint. When he began to develop an unfortunate reputation for running his partners out, it never became an affectionate eccentricity as it did with Denis Compton. Instead, it caused muttered resentment in the dressing-room. "This man," it came to be said, "plays for himself and not for the team."

more the critics moaned, the further Boycott withdrew into his shell. Eventually, in 1974, after a run of bad form, he opted out of the England Test team for three years. His return was the stuff of Boy's Own Paper. At Trent Bridge, he ran out the local hero, Derek Randall, and redeemed himself only by scoring a century in the Headingley Test, on his home ground, he not only scored his hundredth Test run (this had never been done) but scored it against Australia, England's oldest rivals. One prize seemed elude him—the England captaincy. Twice in the early 70s, he lost the post to unlikely candidates, the Scot Ian Dugie and the South African Greig. At last, in 1977-8, he had his chance when Brearley broke his arm but the experience was unhappy as he led the team to England's first ever defeat against New Zealand. In late 1978, his world was shattered. In the space of four weeks he was dropped from the vice-captaincy of England, saw his mother die, and was sacked as captain of Yorkshire. Many a previous Yorkshire captain in similar circumstances. But Boycott had the last laugh. A group of Yorkshire members, known as the Reform group, began to campaign against the committee and five years later, duly captured control of the county, with Boycott himself returned as member of the board. Boycott has been blamed for many things, notably for the decline in Yorkshire cricket. The charge is ridiculous. Yorkshire have done no better since he was sacked as captain, nor did they shine on days when he was absent injured or playing for England. A much more plausible reason for Yorkshire's decline is that, denied the overseas imports on which other counties rely, they have been unable to build a bowling attack capable of consistently troubling other sides. Nor is it fair to blame Boycott for England's 1958. Johnny Wardle was summarily sacked by Yorkshire and neither Close nor Illingworth's departures can be blamed on "Sir" Geoffrey. After all the arguments and all the controversy, cricket lovers may remember the times when they switched over their television or radio to watch Geoffrey Boycott's latest collapse. If Boycott was still in, there was hope. Of whom can that be said today?

Philip Coggan

Boxing

Brooo-No... he's gone

ASHTRAYS 26, sweatshirts £12, t-shirts—"Know what I mean, Harry?"—£8. "It's the first time we've done full scale merchandising here at Wembley Stadium," said David Felton, managing director of Arena International Licensing Services, which also provided a well-designed, comprehensive souvenir programme, £3. Inside, in the calm blue evening, serious men in sports slacks chatted to policemen. Hammering came from the ring—a birthday cake space squared off by red, white and blue ropes, its red and white awning rimmed with arc lights—as television camera teams consolidated their positions in readiness for the heavyweight clash in which Tim Witherpoon of the US, billed Britain's Frank Bruno in an uncertain style. Last Saturday's Bruno-Witherpoon clash was, in effect, less of a championship than a heat—a rite of passage in an interna-

national effort to mend schisms of theological and financial interest. The World Boxing Association heavyweight holder, Tim Witherpoon, will meet the World Boxing Council titleholder, Trevor Berbick of Canada, for the right to challenge the winner of the International Boxing Federation championship, Mike Spinks of the US. The intention is that, in time, an IBF title holder will win ecumenical acceptance as pope in the heavyweight ring. As the curtain-raising bouts succeeded one another on Saturday, each turning the ratchet of excitement up another notch, searchlights reminiscent of 50th Century Fox movie openings swooped across stands whose orchestrated trumpets and roars of "Brooo-No! Brooo-No!" on either side of the arena might have been mastodon calling to mastodon across primeval swamp. The jingoistic jeers seemed good-natured enough at first. The arrival of Muhammad Ali brought cheers, though nothing like the storm of affection which greeted little Barry McGuigan. But as the two enormous young men came into the arena, each dressed like a

gaudy penitent in scarlet robe with hood pulled well forward, each circled along a length of red matting, by an enveloping haze of spot lights, handheld cameras and overlapping police uniforms, a deeper, angrier note began to dominate, boos doing battle against Witherpoon's arrival fanfare. The UK national anthem, sung with fervour in several tempos like a kind of Queen-in-the-round, was overtaken by a Star Spangled Banner played with verve and confidence by a band attacked by noise powerful enough to lift the dark floor of night over Wembley. Ten rounds of boxing—and boozing—later, an expressionless man wearing a bright blue jerkin with "E Gersh All Stars" painted in gold across the back, took off his sunglasses and announced to his immediate vicinity: "I'm 64 years old, I was here in London 40 years ago, going overseas, and I didn't like the way they booted the Americans and all that stuff. I'm 64 years old and I still don't like it."

Gay Firth

FT CROSSWORD PUZZLE No. 6083

Crossword puzzle grid with clues for Across and Down. Includes a 'DINMUTZ' section at the top.

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4A 3DF. Solution next Saturday.

Answers to crossword puzzle. Includes 'ACROSS' and 'DOWN' sections with numbered solutions. Includes 'SOLUTION AND WINNERS OF PUZZLE No. 6077'.

SATURDAY

Television and radio schedule for Saturday. Lists programmes for BBC 1, BBC 2, Channel 4, and various radio stations like ULSTER, YORKSHIRE, and BBC RADIO 3.

TELEVISION AND RADIO

Continuation of television and radio schedule for Saturday, including programmes for GRAMPIAN, HTV, and SCOTTISH.

TELEVISION AND RADIO

Continuation of television and radio schedule for Saturday, including programmes for ULSTER, YORKSHIRE, and BBC RADIO 4.

SUNDAY

Television and radio schedule for Sunday. Lists programmes for BBC 1, BBC 2, Channel 4, and various radio stations like SAC WALES, CENTRAL, and HTV.

TELEVISION AND RADIO

Continuation of television and radio schedule for Sunday, including programmes for GRAMPIAN, HTV, and SCOTTISH.

TELEVISION AND RADIO

Continuation of television and radio schedule for Sunday, including programmes for ULSTER, YORKSHIRE, and BBC RADIO 4.